

BUDGET BY FUND

The Budget by Fund section provides a look at each fund's revenue, expenditures and fund balance, including a comparison of current program levels with those of past years.

City-Wide Budget.....	281
General Fund.....	285
General Fund Long-Range Outlook... ..	291
Special Revenue Funds.....	295
Debt Service Funds.....	309
Capital Project Funds.....	312
Enterprise Funds.....	317
Internal Service Funds.....	328

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CITY-WIDE BUDGET

The following graphs and tables present budget and comparative information from a city-wide perspective.

2019-20 SUMMARY OF REVENUES AND EXPENDITURES

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total All Funds
Est Fund Balance 1/1/2019	\$ 23,409,868	\$ 33,211,531	\$ 1,930,962	\$ -	\$ 30,826,457	\$ 19,402,082	\$ 108,780,900
Revenues							
Taxes	169,451,550	40,914,620				3,255,180	213,621,350
Licenses and Permits	14,572,890	1,059,890			145,060		15,777,840
Intergovernmental Revenue	9,389,950	8,243,600	1,891,360			796,340	20,321,250
Charges for Services	12,127,100	1,657,110			156,648,060	26,221,620	196,653,890
Fines and Forfeitures	2,259,450	5,058,270			1,170		7,318,890
Miscellaneous Revenue	4,421,110	2,164,740	2,098,560	(3,025,050)	10,861,020	46,726,220	63,246,600
Transfers In	1,829,740	30,861,160	17,442,100	32,558,370	54,101,370	5,375,000	142,167,740
Total Revenues	214,051,790	89,959,390	21,432,020	29,533,320	221,756,680	82,374,360	659,107,560
Expenditures							
Salaries & Benefits	117,352,070	31,073,670			22,537,790	18,533,710	189,497,240
Supplies	5,977,720	2,630,160			4,013,255	4,668,910	17,290,045
Services & Allocations	53,188,420	13,160,480			96,498,695	52,711,050	215,558,645
Capital		1,964,250		28,674,660	43,504,000	5,186,000	79,328,910
Debt Service		49,600	18,406,200		11,450,590	1,100,000	31,006,390
Transfers Out	37,533,580	47,956,150	1,903,620	958,050	54,071,270	1,750,000	144,172,670
Total Expenditures	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Expenditures by Department							
City Council	914,560						914,560
Administration	5,927,210	50,000					5,977,210
Economic & Community Dev	15,635,830						15,635,830
Finance	6,778,490					782,330	7,560,820
Fire Contracted Services	7,784,050						7,784,050
Human Resources	4,311,490	2,872,710				38,704,650	45,888,850
Information Technology	874,720			4,500,000		18,737,740	24,112,460
Law	3,523,930	1,690,900					5,214,830
Municipal Court	7,148,900						7,148,900
Parks, Rec & Comm Services	37,857,630	3,623,190		11,060,000	8,230,640	11,705,800	72,477,260
Police	85,495,490	10,184,370					95,679,860
Public Works	1,733,030	31,104,170		13,973,320	212,424,370	14,019,150	273,254,040
Non-Departmental	36,066,460	47,308,970	20,309,820	99,390	11,420,590		115,205,230
Total Expenditures	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Change in Fund Balance		(6,874,920)	1,122,200	(99,390)	(10,318,920)	(1,575,310)	(17,746,340)
Est Fund Balance 12/31/2020	\$ 23,409,868	\$ 26,336,611	\$ 3,053,162	\$ (99,390)	\$ 20,507,537	\$ 17,826,772	\$ 91,034,560

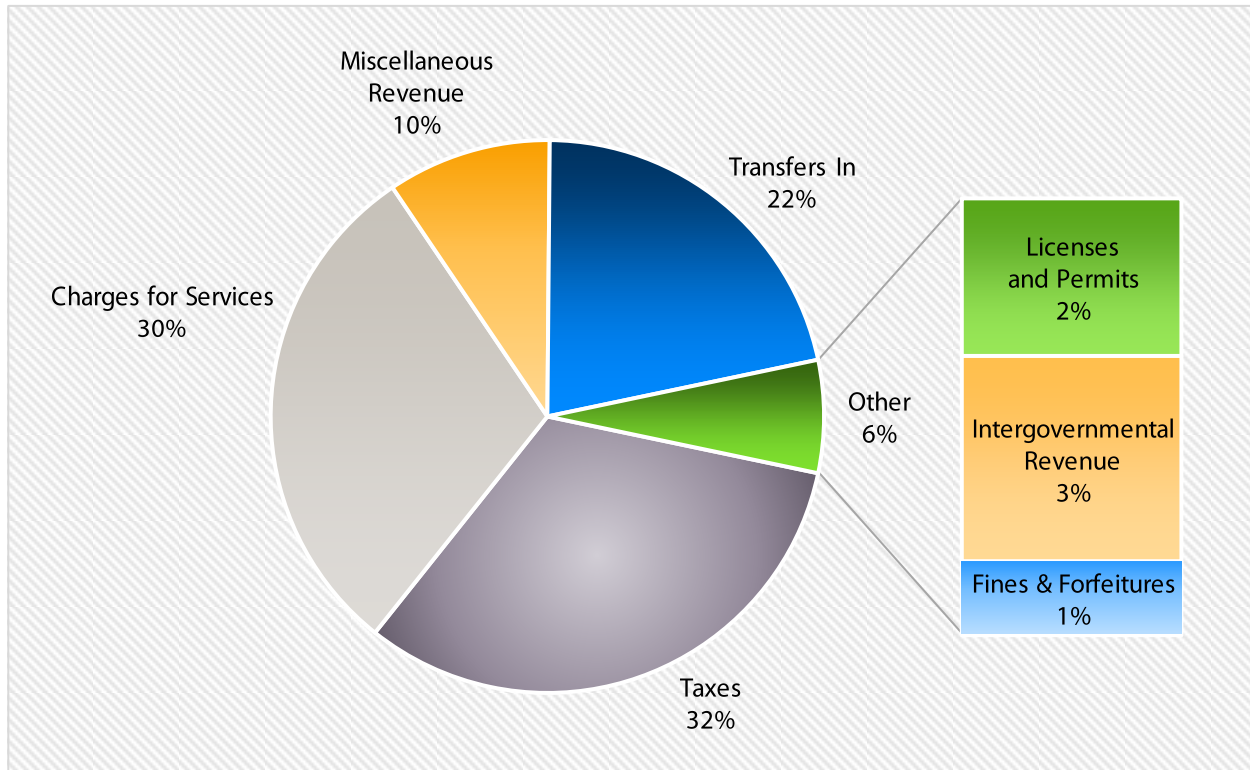
CITY-WIDE BUDGET

COMPARATIVE BUDGET SUMMARY

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Revenues					
Taxes	100,241,631	101,667,940	107,470,591	105,600,180	108,021,170
Licenses and Permits	7,595,291	6,064,860	8,165,381	7,678,880	8,098,960
Intergovernmental Revenue	26,158,153	19,390,428	23,108,472	12,183,130	8,138,120
Charges for Services	96,049,646	93,149,580	97,654,368	97,052,580	99,601,310
Fines and Forfeitures	3,087,294	2,714,470	2,703,865	3,804,450	3,514,440
Miscellaneous Revenue	33,178,952	34,287,630	41,468,454	31,203,290	32,043,310
Transfers In	68,263,971	90,149,689	90,529,446	79,975,390	62,192,350
Total Revenues	334,574,937	347,424,597	371,100,576	337,497,900	321,609,660
Expenditures					
Salaries & Benefits	77,921,653	87,552,223	85,438,499	98,189,890	101,804,930
Supplies	6,956,118	8,528,379	7,384,384	9,084,060	8,920,465
Services & Allocations	95,497,520	109,077,957	99,010,090	104,645,640	101,335,945
Capital	38,963,105	61,372,865	42,251,867	44,623,600	32,970,920
Debt Service	16,399,223	16,244,460	16,003,715	16,003,660	14,002,120
Transfers Out	69,728,039	91,723,189	92,038,921	81,509,450	63,763,220
Total Expenditures	305,465,658	374,499,073	342,127,476	354,056,300	322,797,600
Expenditures by Department					
City Council	349,577	409,150	344,160	439,470	475,090
Administration	2,749,602	3,088,990	2,775,090	3,002,960	2,974,250
Economic & Community Dev	5,906,099	7,305,340	6,693,838	7,720,130	7,915,700
Finance	2,812,702	3,428,860	3,418,688	3,731,180	3,829,640
Fire Contracted Services	3,668,180	3,657,530	3,557,928	3,905,690	3,878,360
Human Resources	20,132,397	24,046,370	21,398,260	22,695,570	23,193,280
Information Technology	9,614,574	11,493,490	10,943,772	11,857,410	12,255,050
Law	2,251,021	2,512,580	2,445,467	2,566,000	2,648,830
Municipal Court	3,128,653	3,405,030	3,442,107	3,517,560	3,631,340
Parks, Rec & Comm Services	32,301,672	48,725,963	35,847,139	35,070,560	37,406,700
Police	41,352,772	44,093,360	43,950,586	47,040,260	48,639,600
Public Works	119,647,453	150,723,610	135,366,509	150,942,670	122,311,370
Non Departmental	61,550,955	71,608,800	71,943,932	61,566,840	53,638,390
Total Expenditures	305,465,658	374,499,073	342,127,476	354,056,300	322,797,600

CITY-WIDE BUDGET

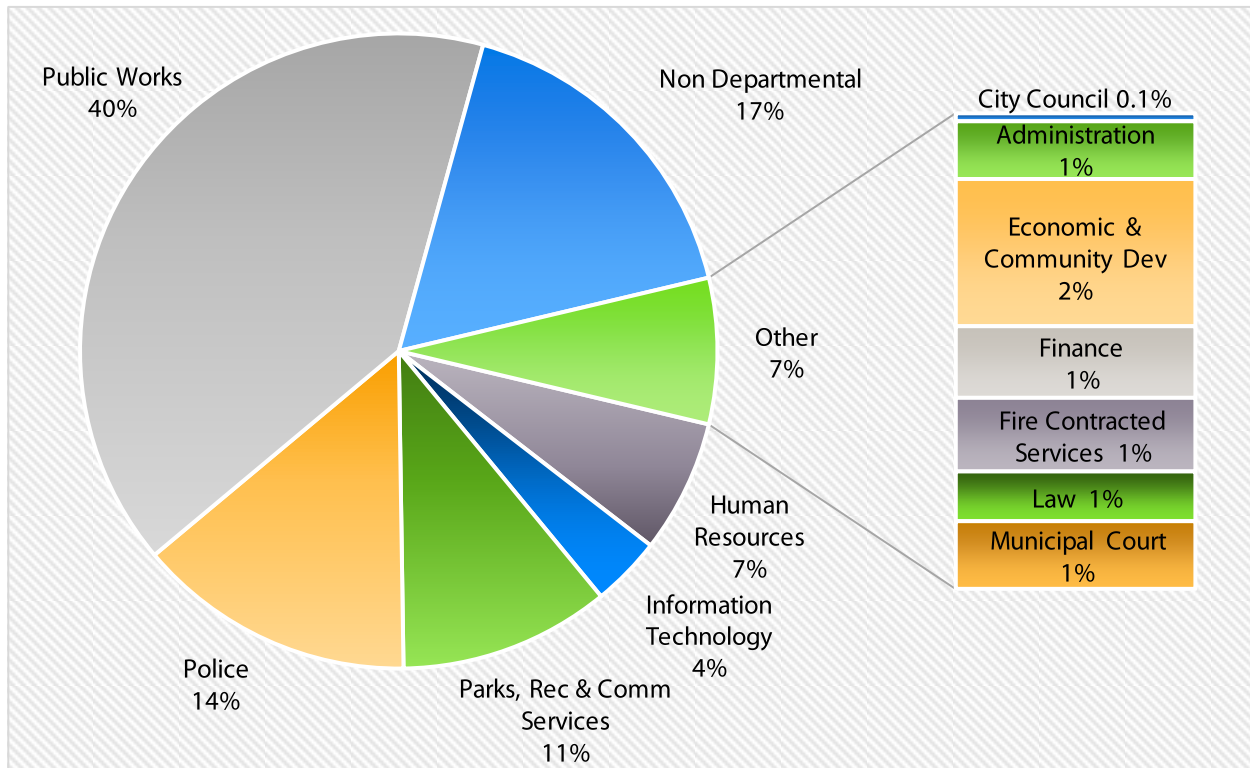
REVENUES



	2018 Budget	2019 Adopted	2020 Adopted	2019 \$ Change	2019 % Change
Revenues					
Taxes	\$101,667,940	\$105,600,180	\$108,021,170	\$ 3,932,240	3.9 %
Licenses and Permits	6,064,860	7,678,880	8,098,960	1,614,020	26.6
Intergovernmental Revenue	19,390,428	12,183,130	8,138,120	(7,207,298)	(37.2)
Charges for Services	93,149,580	97,052,580	99,601,310	3,903,000	4.2
Fines and Forfeitures	2,714,470	3,804,450	3,514,440	1,089,980	40.2
Miscellaneous Revenue	34,287,630	31,203,290	32,043,310	(3,084,340)	(9.0)
Transfers In	90,149,689	79,975,390	62,192,350	(10,174,299)	(11.3)
Total Revenues	\$347,424,597	\$337,497,900	\$321,609,660	\$ (9,926,697)	(2.9) %

CITY-WIDE BUDGET

EXPENDITURES BY DEPARTMENT



	2018 Budget	2019 Adopted	2020 Adopted	2019 \$ Change	2019 % Change
Expenditures by Department					
City Council	\$ 409,150	\$ 439,470	\$ 475,090	\$ 30,320	7.4 %
Administration	3,088,990	3,002,960	2,974,250	(86,030)	(2.8)
Economic & Community Dev	7,305,340	7,720,130	7,915,700	414,790	5.7
Finance	3,428,860	3,731,180	3,829,640	302,320	8.8
Fire Contracted Services	3,657,530	3,905,690	3,878,360	248,160	6.8
Human Resources	24,046,370	22,695,570	23,193,280	(1,350,800)	(5.6)
Information Technology	11,493,490	11,857,410	12,255,050	363,920	3.2
Law	2,512,580	2,566,000	2,648,830	53,420	2.1
Municipal Court	3,405,030	3,517,560	3,631,340	112,530	3.3
Parks, Rec & Comm Services	48,725,963	35,070,560	37,406,700	(13,655,403)	(28.0)
Police	44,093,360	47,040,260	48,639,600	2,946,900	6.7
Public Works	150,723,610	150,942,670	122,311,370	219,060	0.1
Non Departmental	71,608,800	61,566,840	53,638,390	(10,041,960)	(14.0)
Total Expenditures	\$374,499,073	\$354,056,300	\$322,797,600	\$ (20,442,773)	(5.5) %

GENERAL FUND

GENERAL FUND EXPENDITURES

The General Fund is the principal operating fund of the City. It accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, sales and use taxes, utility taxes, licenses and permits, state shared revenues, charges for services and other miscellaneous revenues. Primary expenditures are for general City administration, police, economic development, planning services, park maintenance, cultural programs and recreational services.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 19,987,828	\$ 21,595,174	\$ 21,595,174	\$ 23,409,868	\$ 23,409,868
Revenues					
Taxes:					
Property	22,999,864	29,532,710	29,927,332	29,978,040	30,457,820
Sales Tax	21,109,277	21,100,310	24,258,828	21,770,980	19,890,180
Utility	19,648,349	19,150,880	19,223,192	19,596,150	19,578,290
Business & Occupation Tax	9,141,800	8,890,480	9,353,064	11,500,000	14,900,000
Other	902,557	879,260	775,399	882,650	897,440
Licenses and Permits	6,962,130	5,695,870	7,513,716	7,082,370	7,490,520
Intergovernmental Revenue	8,100,520	7,973,870	7,924,036	6,713,830	2,676,120
Charges for Services	7,328,567	5,844,610	6,602,681	6,001,180	6,125,920
Fines and Forfeitures	1,549,964	1,565,970	1,360,976	1,113,790	1,145,660
Miscellaneous Revenue	2,241,585	1,594,530	2,193,772	2,135,530	2,285,580
Transfers In	934,128	950,000	950,000	915,730	914,010
Total Revenues	100,918,740	103,178,490	110,082,998	107,690,250	106,361,540
Changes:					
Cell Tower Lease from Capital					120,000
Parks Recreation - Increase Various Fees					51,000
B&O Tax					3,400,000
Water Franchise Fees					250,000
Sales Tax Swap - 80% GF / 20% CRF					470,000
Permit/Plans Review				1,200,000	1,200,000
Parking and Other Revenues				22,130	96,170
Interest Income				100,000	100,000
Total Changes				1,322,130	5,687,170

GENERAL FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Salaries & Benefits	50,572,365	54,919,610	54,425,690	57,791,050	59,561,020
Supplies	2,383,585	2,952,170	2,492,593	2,966,380	3,011,340
Services & Charges	38,252,061	40,613,457	40,098,793	43,364,890	36,265,410
Vehicles & Equipment			124,680		
Cost Allocation	(13,516,280)	(13,758,210)	(14,002,548)	(15,198,840)	(11,243,040)
Transfers Out	21,619,664	24,791,140	25,129,095	18,766,770	18,766,810
Total Expenditures	99,311,395	109,518,167	108,268,303	107,690,250	106,361,540

Expenditures by Department

City Council	349,577	409,150	344,160	439,470	475,090
Administration	2,745,792	3,063,990	2,759,974	2,977,960	2,949,250
Economic & Community Dev	5,841,099	7,305,340	6,675,516	7,720,130	7,915,700
Finance	2,522,554	3,007,710	3,061,435	3,343,890	3,434,600
Fire Contracted Services	3,668,180	3,657,530	3,557,928	3,905,690	3,878,360
Human Resources	1,835,276	2,213,030	2,075,553	2,159,610	2,151,880
Information Technology	521,151	519,450	506,265	528,260	346,460
Law	1,600,450	1,777,920	1,673,438	1,829,200	1,694,730
Municipal Court	3,128,653	3,405,030	3,442,107	3,517,560	3,631,340
Parks, Rec & Comm Services	16,655,355	18,636,007	17,983,569	18,852,830	19,004,800
Police	37,167,621	38,863,160	39,298,193	41,932,860	43,562,630
Public Works	1,111,563	1,318,470	1,155,562	1,142,280	590,750
Non Departmental	22,164,122	25,341,380	25,734,603	19,340,510	16,725,950
Total Expenditures	99,311,395	109,518,167	108,268,303	107,690,250	106,361,540

Changes:

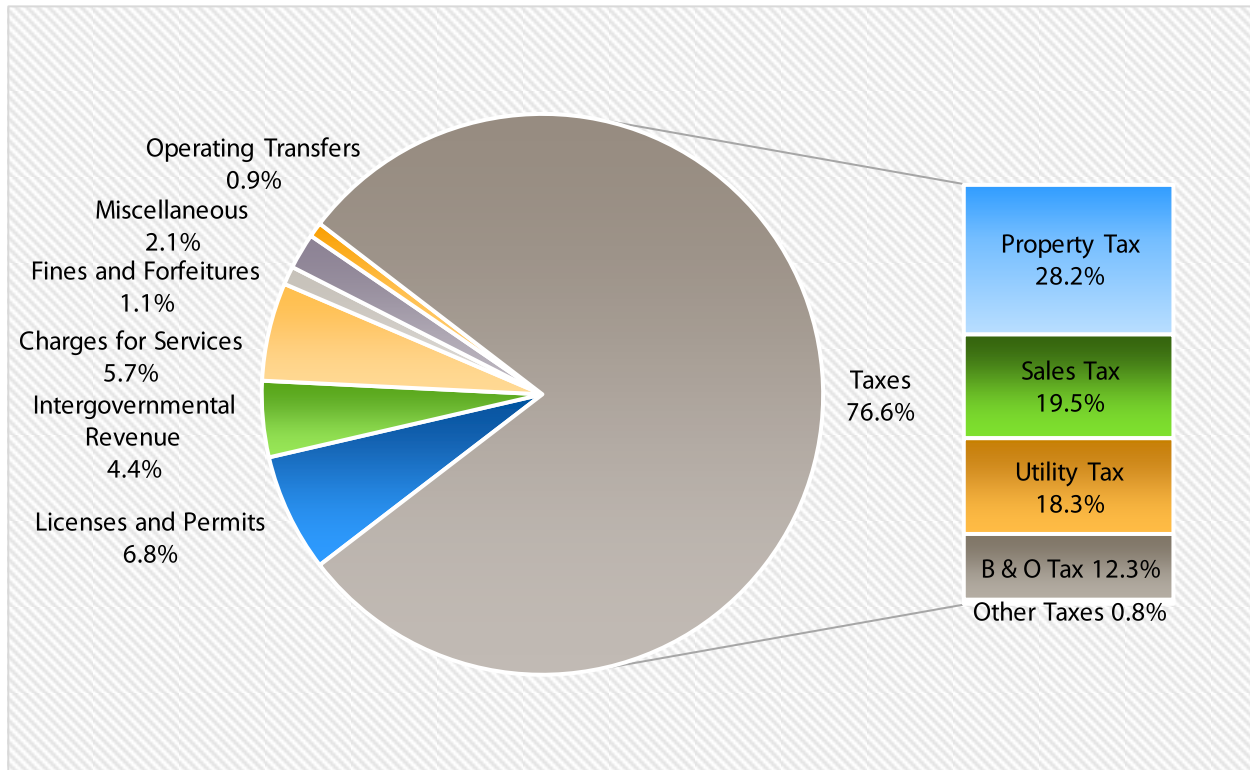
Admin - Executive Asst/Mgmt Analyst - (1 FTE)		(123,160)
Admin - Communications Coordinator - (1 FTE)	(132,490)	(137,850)
Admin - National League of Cities	(8,160)	(8,320)
Admin - Internship Program	30,000	30,000
Admin - Communications Training	30,000	30,000
ECD - Kent Industrial Valley Subarea Planning	75,000	75,000
ECD - PSRC Space Sector Strategy Dev	20,000	
ECD - Community Attributes - Market Data	13,170	
Finance - Administrative Assistant 2 - (1 FTE)	(73,600)	(96,790)
Finance - Customer Svcs Mgr - 30% in GF	(26,130)	(27,020)
HR Analyst - (.6 FTE)		(79,040)
HR - Supplies, Advertising, Prof Svcs	(43,000)	(43,000)
Law - Prosecuting Att - shift 1/2 costs to CJF		(87,720)

GENERAL FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Parks - Move Park Planning Staff to Park Capital					(400,890)
Parks - Reduce Temporary Staffing				(195,000)	(205,150)
Parks - Reduce Temp Staff for Green Kent Program				(12,600)	(12,600)
Parks - Reduce Overtime				(56,900)	(56,900)
Parks - Fund 1 FTE Park Ops staff in Major Mtc					(100,100)
Parks - Eliminate Greenhouse - Purchase Plants				(55,000)	(55,000)
Parks - Reduce Utilities - Conversion to LED					(10,000)
Parks - Reduce General Supplies - Shift to Lifecycle				(20,500)	(42,000)
Parks - Reduce Recreation Services to Trend				(49,000)	(49,000)
Parks - Reduce Pool Contribution					(30,000)
Parks - Reduce Public Defense				(25,000)	(75,000)
Parks - TBD - Recreation Target Reduction					(100,000)
Parks - Youth Coordinator to Marketing Prof				27,740	13,010
Parks - MW2 Shift from 75% Parks/25% PW to 100% Parks				38,190	41,120
Parks - Maintenance Worker 4 - 1 FTE					122,000
Parks - Establish Professional Services Budget					50,910
Parks - Centralize Training & Development					30,000
Police Officers - 6 FTEs (3 in 2019; 3 in 2020)				405,780	837,380
Background & Recruiting Services				144,530	146,920
Parking Enforcement Officer - 1.0 FTE				92,390	95,350
Admissions Tax Remain in Golf				70,000	70,000
Merchant Card Fees					(300,000)
Reduce Emergency Mgmt - PSRFA Contract					(137,370)
Medical Insurance - Reduce 5%					(365,300)
Management Benefits - Reduce 50%				(72,530)	(72,530)
Estimated Impact of Central Cost Allocation Plan					(2,335,000)
Facilities & IT Adjustments				(93,330)	(166,770)
Baseline Corrections				21,780	3,370
				105,340	(3,571,450)
Change in Fund Balance	1,607,345	(6,339,677)	1,814,694	-	-
ENDING FUND BALANCE	\$ 21,595,174	\$ 15,255,497	\$ 23,409,868	\$ 23,409,868	\$ 23,409,868

GENERAL FUND

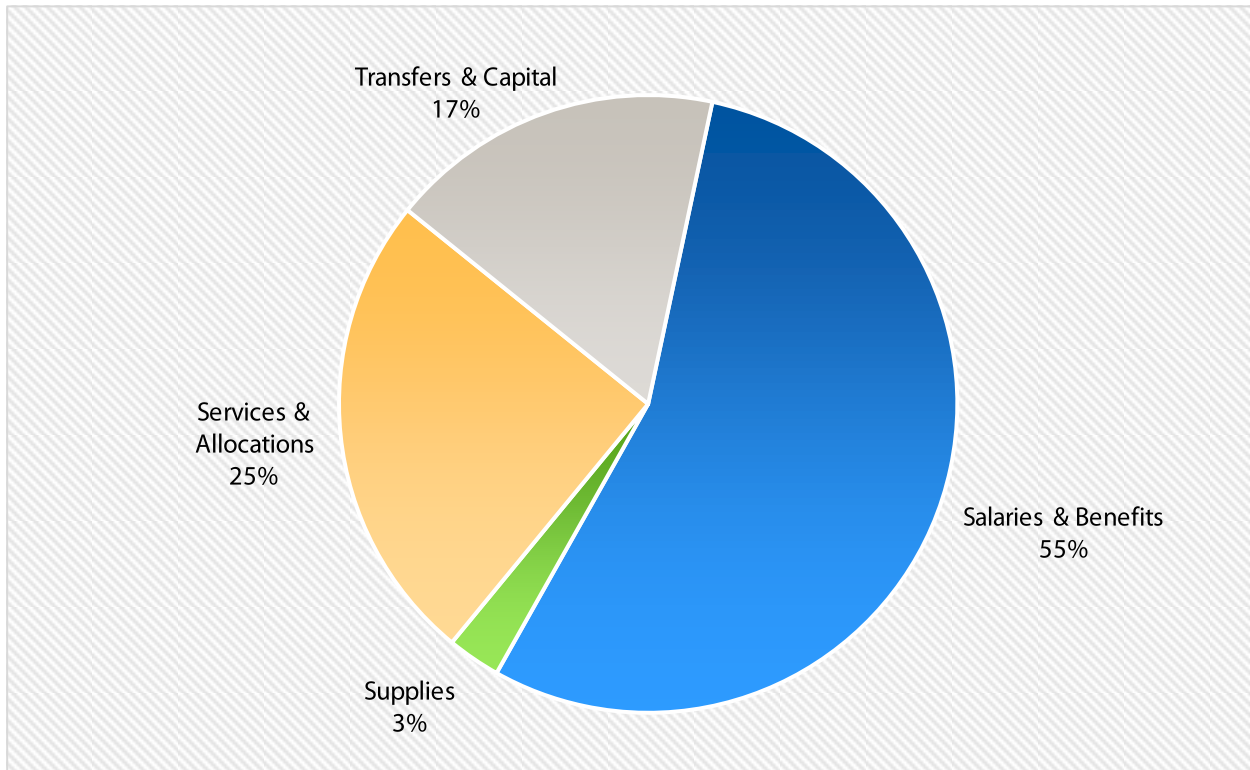
GENERAL FUND REVENUES



	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	2018 vs 2019 % Change	2020 Adopted	2019 vs 2020 \$ Change	2019 vs 2020 % Change
Revenues							
Taxes							
Property	\$ 29,532,710	\$ 29,978,040	\$ 445,330	1.5 %	\$ 30,457,820	\$ 479,780	1.6 %
Sales Tax	21,100,310	21,770,980	670,670	3.2	19,890,180	(1,880,800)	(8.6)
Utility	19,150,880	19,596,150	445,270	2.3	19,578,290	(17,860)	(0.1)
Business & Occupation Tax	8,890,480	11,500,000	2,609,520	29.4	14,900,000	3,400,000	29.6
Other	879,260	882,650	3,390	0.4	897,440	14,790	1.7
Licenses and Permits	5,695,870	7,082,370	1,386,500	24.3	7,490,520	408,150	5.8
Intergovernmental Revenue	7,973,870	6,713,830	(1,260,040)	(15.8)	2,676,120	(4,037,710)	(60.1)
Charges for Services	5,844,610	6,001,180	156,570	2.7	6,125,920	124,740	2.1
Fines and Forfeitures	1,565,970	1,113,790	(452,180)	(28.9)	1,145,660	31,870	2.9
Miscellaneous Revenue	1,594,530	2,135,530	541,000	33.9	2,285,580	150,050	7.0
Transfers In	950,000	915,730	(34,270)	(3.6)	914,010	(1,720)	(0.2)
Total General Fund Revenues	\$103,178,490	\$107,690,250	\$4,511,760	4.4 %	\$106,361,540	\$(1,328,710)	(1.2) %

GENERAL FUND

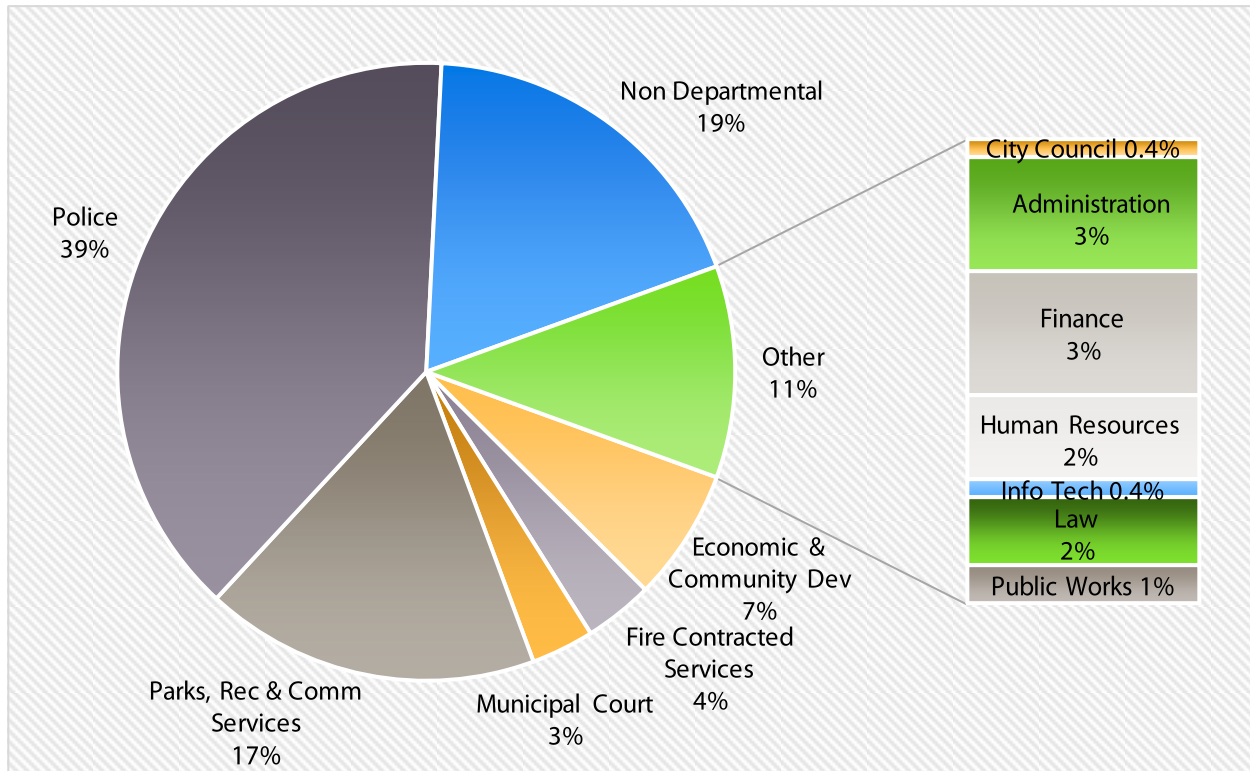
GENERAL FUND EXPENDITURES



	2018 Budget	2019 Adopted	2018 vs 2019		2020 Adopted	2019 vs 2020	
			\$ Change	% Change		\$ Change	% Change
Expenditures							
Salaries & Benefits	\$ 54,919,610	\$ 57,791,050	\$ 2,871,440	5.2 %	\$ 59,561,020	\$ 1,769,970	3.1 %
Supplies	2,952,170	2,966,380	14,210	0.5	3,011,340	44,960	1.5
Services & Allocations	26,855,247	28,166,050	1,310,803	4.9	25,022,370	(3,143,680)	(11.2)
Transfers & Capital	24,791,140	18,766,770	(6,024,370)	(24.3)	18,766,810	40	0.0
Total Gen Fund Expenditures	\$109,518,167	\$107,690,250	\$ (1,827,917)	(1.7) %	\$106,361,540	\$ (1,328,710)	(1.2) %

GENERAL FUND

GENERAL FUND EXPENDITURES BY DEPARTMENT



	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	% Change	2020 Adopted	2019 vs 2020 \$ Change	% Change
Expenditures by Department							
City Council	\$ 409,150	\$ 439,470	\$ 30,320	7.4 %	\$ 475,090	\$ 35,620	8.1 %
Administration	3,063,990	2,977,960	(86,030)	(2.8)	2,949,250	(28,710)	(1.0)
Economic & Community Dev	7,305,340	7,720,130	414,790	5.7	7,915,700	195,570	2.5
Finance	3,007,710	3,343,890	336,180	11.2	3,434,600	90,710	2.7
Fire Contracted Services	3,657,530	3,905,690	248,160	6.8	3,878,360	(27,330)	(0.7)
Human Resources	2,213,030	2,159,610	(53,420)	(2.4)	2,151,880	(7,730)	(0.4)
Information Technology	519,450	528,260	8,810	1.7	346,460	(181,800)	(34.4)
Law	1,777,920	1,829,200	51,280	2.9	1,694,730	(134,470)	(7.4)
Municipal Court	3,405,030	3,517,560	112,530	3.3	3,631,340	113,780	3.2
Parks, Rec & Comm Services	18,636,007	18,852,830	216,823	1.2	19,004,800	151,970	0.8
Police	38,863,160	41,932,860	3,069,700	7.9	43,562,630	1,629,770	3.9
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530)	(48.3)
Non Departmental	25,341,380	19,340,510	(6,000,870)	(23.7)	16,725,950	(2,614,560)	(13.5)
Total Expenditures	\$109,518,167	\$107,690,250	\$ (1,827,917)	(1.7) %	\$106,361,540	\$ (1,328,710)	(1.2) %

GENERAL FUND LONG-RANGE OUTLOOK

The long-range outlook provides a forward-looking view of the General Fund operating budget, allowing City officials and others to evaluate the long-term sustainability of the annual operating budget. It also provides a starting point for future decision making regarding the budget by identifying the balance between potential spending needs and the projected revenue outlook, making it a key tool for financial planning.

The General Fund Long-Range Outlook includes:

- ◆ A discussion of financial risks facing the City
- ◆ A General Fund overview, including major revenue and expenditure assumptions
- ◆ A summary table covering General Fund budget and six-year forecast data

FINANCIAL RISKS

The City continues to face a great deal of financial uncertainty heading into the future. After several years of slow economic growth, the City is still unable to restore significant reductions taken during and following the Great Recession. During the same timeframe, Washington sales tax changed from origin-based to destination-based, heavily impacting sales tax revenues as the City houses one of the largest warehouse districts on the west coast. The City has reset and is operating with the new normal created by these events. The forecast beyond the 2019-2021 biennium presumes that there are no additional FTEs added.

Growth of Service Need

With the assumption of flat staffing levels in the forecasted years, it is unlikely that existing staffing will be able to keep pace with additional service needs over time. As the City grows, without an increase in staffing or other measures, the outcome will be a degradation of existing service levels.

Infrastructure Maintenance & Refurbishment

Since the recession, the City has struggled to fund infrastructure maintenance, including transportation systems, parks, trails and city facilities. The lack of ongoing funding has resulted in deterioration of infrastructure, especially the City's parks and trails system. Identifying sustainable funding remains elusive.

Legislative

As the State of Washington implements the "McCleary" Funding for schools, and as King County continues to grapple with a structural deficit in growth in expenditures outstripping revenues, the impact to the City must be monitored. The City risks losing state shared revenues and being negatively impacted by downstream effects of reduced services from the County.

Economic Recession

While the economy has maintained growth for several years since the Great Recession ended in 2009, history says that the time between recessions has never been longer than 10 years (Source: National Bureau of Economic Research). Revenue growth may not be sustained and a dip in the economy looms in the future.

GENERAL FUND LONG-RANGE OUTLOOK

GENERAL FUND OVERVIEW

The six-year projections provided in the financial outlook reflect numerous assumptions related to revenues and expenditures in 2021 and beyond. These assumptions represent a reasonable starting point for estimating the long-term status of the General Fund. However, it is important to note that the assumptions and resulting projections will change over time. Even relatively minor changes in key variables can cause significant change in the long-term outlook.

The **Six-Year Forecast** on the following page projects revenues and expenditures for the General Fund for 2021-2026, is based on the assumptions below. It is a tool for identifying potential issues in advance, allowing an opportunity to devise strategies and solutions for improving the financial outlook of the City.

REVENUE ASSUMPTIONS

- ◆ **Property Tax:** one percent plus new construction
- ◆ **Sales Tax:** In 2020, the split between GF/CRF was changed to 80/20, increasing the GF portion by \$480k. 2021-2026 growth: 2.0% annually. Annexation Sales Tax Credit expires 6/30/2020
- ◆ **Utility Tax:** Water/sewer rate and CPI increases per ordinance; nominal growth
- ◆ **B&O Tax:** Increase in 2019: \$3 million, 2020: \$3.4 million, 2022: \$2.1 million, 2025: \$3 million
- ◆ **Licenses & Permits:** Estimated CPI, per resolution, \$1.2 million volume increase
- ◆ **Intergovernmental:** Assumes state shared revenues continue unchanged
- ◆ **Charges for Services:** Plans review services at estimated CPI per resolution; nominal growth

EXPENDITURE ASSUMPTIONS

- ◆ **Salary & Wages:** 2019: AFSCME/Teamsters per labor agreements and NR at 2.1%, KPOA per labor agreement at 3%, 2020-2026: 2% annually, temp wages per I-1433 minimum wage schedule (\$13.50 by 2020)
- ◆ **Benefits:** 20% in 2019, 5% annually 2020-2026
- ◆ **Supplies:** 2% annually
- ◆ **Services & Charges/Cost Allocation:** 2% annually, 2020: eliminated costs allocated to annexation effective 6/30/2020

GENERAL FUND LONG-RANGE OUTLOOK

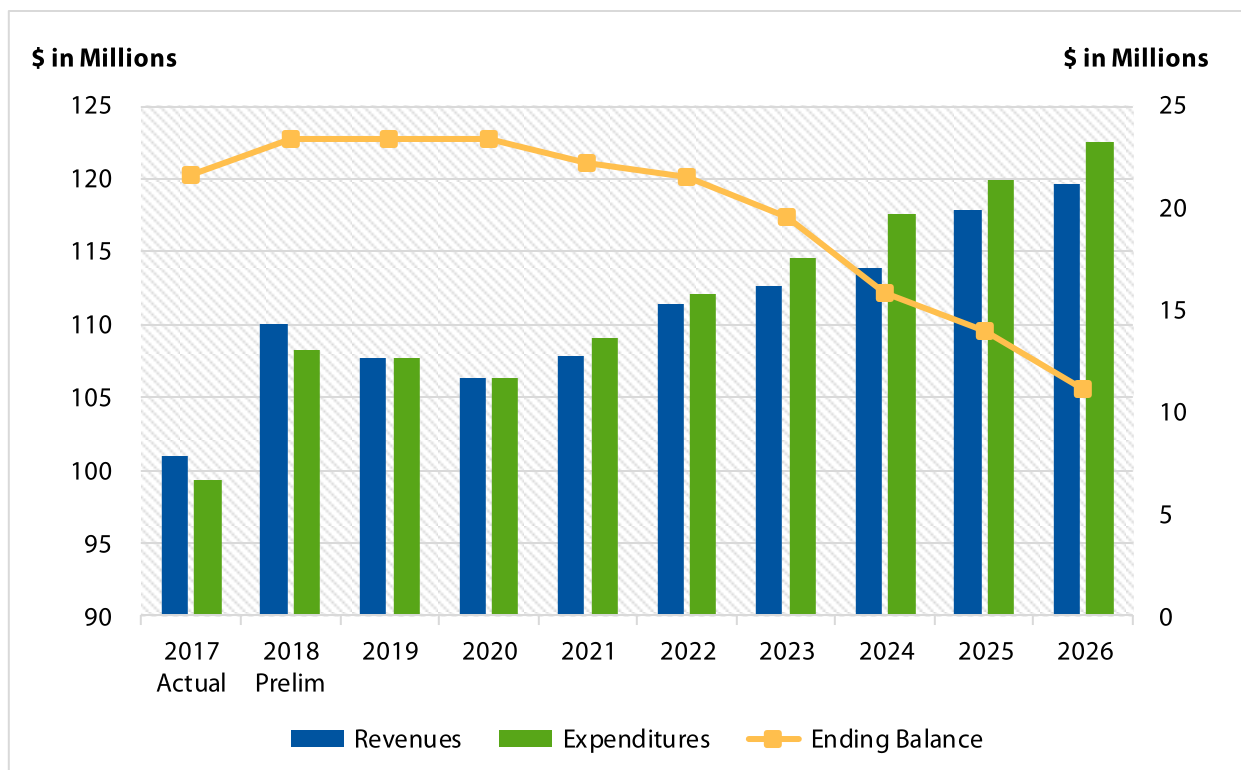
SIX-YEAR FORECAST

Projections clearly demonstrates an ongoing structural issue arising from the growth in expenditures annually outpacing the growth in revenues. This continued imbalance represents a major issue for the City that it must take additional, on-going steps to address. The ability to maintain and improve City services and address the backlog of infrastructure maintenance needs is heavily dependent on improving revenue streams, while continuing to find operational efficiencies. It is important to note that the forecast does not represent an official spending plan, it is simply a clear indicator of the challenges the City continues to face.

(in thousands)	Adopted		Six-Year Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
BEGINNING FUND BALANCE	\$ 23,410	\$ 23,410	\$ 23,410	\$ 22,210	\$ 21,510	\$ 19,570	\$ 15,880	\$ 13,930
Revenues								
Taxes								
Property	29,980	30,460	30,880	31,310	31,740	32,180	32,620	33,070
Sales Tax	21,770	19,890	18,700	19,300	19,650	20,010	20,180	21,000
Utility	19,600	19,580	21,080	21,320	21,510	21,710	21,910	22,110
Business & Occupation Tax	11,500	14,900	15,400	17,500	17,500	17,500	20,500	20,500
Other	880	900	910	920	930	940	950	960
Licenses and Permits	7,080	7,490	7,600	7,720	7,840	7,970	8,080	8,190
Intergovernmental Revenue	6,710	2,680	2,690	2,700	2,720	2,730	2,740	2,760
Charges for Services	6,000	6,130	6,210	6,300	6,380	6,470	6,560	6,660
Fines and Forfeitures	1,110	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Miscellaneous Revenue	2,140	2,290	2,290	2,290	2,290	2,290	2,290	2,290
Transfers In	920	910	950	950	950	950	950	950
Total Revenues	107,690	106,380	107,860	111,460	112,660	113,900	117,930	119,640
Expenditures								
Salaries	39,760	40,920	42,430	43,690	44,980	46,320	47,700	49,120
Benefits	18,030	18,650	19,380	20,260	21,180	22,150	23,160	24,220
Supplies	2,970	3,010	3,130	3,210	3,290	3,360	3,440	3,530
Services & Charges	43,360	36,270	29,290	29,900	30,500	31,100	31,720	32,410
Vehicles & Equipment								
Cost Allocation	(15,200)	(11,240)	(4,160)	(4,200)	(4,250)	(4,290)	(4,330)	(4,370)
Transfers Out	18,770	18,770	18,990	19,300	18,900	18,950	18,190	17,560
Total Expenditures	107,690	106,380	109,060	112,160	114,600	117,590	119,880	122,470
Change in Fund Balance	-	-	(1,200)	(700)	(1,940)	(3,690)	(1,950)	(2,830)
ENDING FUND BALANCE	\$ 23,410	\$ 23,410	\$ 22,210	\$ 21,510	\$ 19,570	\$ 15,880	\$ 13,930	\$ 11,100

GENERAL FUND LONG-RANGE OUTLOOK

GENERAL FUND FINANCIAL FORECAST



CONCLUSION

The long-range financial forecast of the General Fund demonstrates that operating revenues will not keep up with operating expenditures over the six years following the 2019-2020 biennial budget, which is a clear indication of an ongoing structural imbalance. It continues to be a major issue for the City, one that must be solved to ensure sustainable services.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that would otherwise be accounted for in the General Fund, but for which there exists certain legal restrictions as to the use of certain revenues. The revenue is segregated into individual special revenue funds to ensure expenditure for a designated purpose. Principal sources of revenue include State-shared fuel tax, earmarked sales and utility taxes and community development block grant funds. Primary expenditures are for engineering, street maintenance, police and prosecution services, along with a significant portion of these resources that are transferred to other funds for debt service and capital.

The following funds fall into this category and are presented in this section:

- ◆ Street Operating
- ◆ LEOFF1 Retiree Benefits
- ◆ Lodging Tax
- ◆ Youth / Teen
- ◆ Capital Resources
- ◆ Criminal Justice
- ◆ Community Development Block Grants
- ◆ City Arts Program
- ◆ ShoWare Operating

STREET OPERATING FUND

The Street Operating Fund is used to maintain and improve the City's network of streets, sidewalks and trails. The funding comes from a variety of sources, including the State-shared portion of the fuel tax and a portion of the utility taxes (one percent of the first six percent). These sources provide funding for debt service on street bonds and operations of the Transportation and Street Maintenance Divisions. Effective in 2013, Council adopted a local business and occupation tax to provide ongoing funding for street maintenance and capital projects. Effective in January 2015, an additional 10.6 percent solid waste utility tax was enacted and is earmarked for residential streets major maintenance and capital.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 3,977,113	\$ 5,873,486	\$ 5,873,486	\$ 5,404,355	\$ 5,404,355
Revenues					
Taxes					
Water Utility Tax	216,997	205,760	225,144	231,180	236,730
Sewer Utility Tax	221,290	226,730	228,609	227,270	232,730
Drainage Utility Tax	293,747	287,670	300,986	297,120	304,250
Electric Utility Tax	1,290,409	1,190,180	1,247,922	1,249,690	1,255,930
Gas Utility Tax	368,609	337,810	323,651	344,560	346,290
Garbage Utility Tax	3,703,794	3,336,630	3,877,815	3,837,130	3,856,310
Telephone Utility Tax	474,503	582,880	421,170	477,960	466,010
Licenses and Permits	537,391	323,990	562,087	524,700	535,190
Intergovernmental Revenue	2,230,385	2,219,690	2,322,427	2,334,300	2,653,930
Charges for Services	2,442,010	464,930	2,567,120	739,700	763,490
Miscellaneous Revenue	61,516	4,450	90,544	20,000	20,000
Operating Revenues	11,840,651	9,180,720	12,167,475	10,283,610	10,670,860
Transfers In - General Fund	2,480,440	2,657,340	2,657,340	6,725,070	7,122,750
Transfers In - LID Funded Projects	86,680	83,500	392,086	336,740	32,310
Total Revenues	14,407,771	11,921,560	15,216,901	17,345,420	17,825,920

STREET OPERATING FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Street Operations					
Salaries & Benefits	2,627,028	2,803,950	2,696,151	3,051,650	3,147,380
Supplies	338,367	529,720	349,083	428,110	437,910
Services & Charges	3,763,504	4,741,960	3,882,314	4,472,990	4,648,720
Vehicles & Equipment	123,574			78,000	
Cost Allocation - to Annexation	(1,111,563)	(1,318,470)	(1,155,562)	(1,142,280)	(590,750)
Cost Allocation	(612,875)	(1,290,000)	(393,081)	(320,000)	(420,000)
Transfers Out - Debt Service	2,304,149	2,278,930	2,275,680	2,403,450	2,163,720
Transfers Out - Projects	3,829,510	6,677,810	6,681,054		
Lifecycle					
Salaries & Benefits				628,140	648,110
Supplies				287,720	276,650
Services & Charges			9,166	3,119,940	3,114,600
Vehicles & Equipment				70,000	80,250
Transfers Out - Debt Service			3,244		
Transfers Out - Projects				3,026,000	3,043,800
PW Engineering					
Salaries & Benefits	4,735,374	6,451,000	5,979,119	6,848,930	7,065,520
Supplies	87,131	94,970	82,494	83,860	85,430
Services & Charges	808,884	854,730	966,278	890,600	928,690
Vehicles & Equipment	26,477	63,500			
Cost Allocation - Engr Services	(4,408,162)	(6,039,260)	(5,689,908)	(6,581,690)	(6,804,110)
Total Expenditures	12,511,397	15,848,840	15,686,032	17,345,420	17,825,920
Changes:					
Sign Shop Positions				365,940	365,600
10-yd Dump Truck & Attachments				60,000	
Asphalt Roller				18,000	
Charge Transportation Staff to Projects					(100,000)
Supplies for Transportation				(100,000)	(100,000)
Medical Insurance - Reduce 5%					(62,690)
Management Benefits - Reduce 50%				(23,890)	(23,890)
Facilities & IT Adjustments				(15,240)	(22,040)
Allocation Adjustments				8,690	33,750
Total Changes				313,500	90,730
Change in Fund Balance	1,896,373	(3,927,280)	(469,131)	-	-
ENDING FUND BALANCE	\$ 5,873,486	\$ 1,946,206	\$ 5,404,355	\$ 5,404,355	\$ 5,404,355

STREET OPERATING FUND PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - B&O	\$ 300,000	\$ 200,000
Total Revenues	300,000	200,000
Capital Projects & Expenditures		
Transportation Master Plan	300,000	200,000
Total Expenditures	300,000	200,000
Revenues Less Expenditures	\$ -	\$ -

LEOFF 1 RETIREE BENEFITS FUND

The LEOFF1 Retiree Benefits Fund was established to segregate funding and costs associated with the City's responsibility to cover any medical and health-related costs not covered by Medicare or other programs. There are approximately 75 former police and fire employees who retired under LEOFF1 and are covered under this program. Funding for these obligations comes from the General Fund.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,174,261	\$ 1,296,372	\$ 1,296,372	\$ 1,868,412	\$ 1,625,002
Revenues					
Interest Income	12,091	1,750	29,012	6,800	6,800
Contributions	927,306	941,730	669,492	922,790	946,150
Miscellaneous	95,888				
Transfers In	250,000	1,250,000	1,250,000	250,000	250,000
Total Revenues	1,285,285	2,193,480	1,948,504	1,179,590	1,202,950
Expenditures					
Blue Cross Claims	702,515	794,900	642,148	735,000	756,970
Blue Cross Admin Fees	43,072	52,520	45,926	46,600	48,000
Delta Dental Claims	31,674	25,550	33,009	31,600	32,550
Delta Dental Admin Fees	5,536	12,120	5,403	9,100	9,370
Vision Service Plan Claims	4,188	7,460	3,808	4,400	4,530
Vision Service Plan Admin Fees	1,356	1,920	1,526	1,500	1,550
Stop Loss Fees	53,741	50,000	58,733	50,000	51,500
Medical Reimbursements	303,752	642,000	575,362	400,000	400,000
Other Professional Services	17,340	10,080	10,547	144,800	145,240
Total Expenditures	1,163,174	1,596,550	1,376,464	1,423,000	1,449,710
Change in Fund Balance	122,111	596,930	572,040	(243,410)	(246,760)
ENDING FUND BALANCE	\$ 1,296,372	\$ 1,893,302	\$ 1,868,412	\$ 1,625,002	\$ 1,378,242

LODGING TAX FUND

The Lodging Tax Fund is used to account for the one percent tax allowed by RCW 67-28-180 on lodging at hotels, motels, and similar establishments, including bed and breakfasts and RV parks within Kent. These revenues may be used solely for tourism promotion and for the acquisition and/or operation of tourism-related facilities. Tourism promotion is defined as "activities, operations, and expenditures designed to increase tourism, including advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of or the operation of special events and festivals designed to attract tourists."

The Lodging Tax Advisory Board meets quarterly and sets the plan for spending funds within the parameters allowed by the RCW. Recent uses of the funds include marketing accesso ShoWare Center, support for the Chamber of Commerce, sponsorship of special events that bring hotel guests and branding activities.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 469,387	\$ 457,557	\$ 457,557	\$ 338,217	\$ 341,857
Revenues					
Lodging Tax	312,980	286,110	314,265	291,830	297,670
Interest Income	3,995	500	7,961	3,000	3,000
Total Revenues	316,975	286,610	322,226	294,830	300,670
Expenditures					
Services & Charges	16,681	17,250	17,698	10,190	10,000
Tourism Marketing	208,623	275,500	277,170	171,400	174,800
Tourism Unallocated	25,000	75,000	61,698	24,600	24,600
Tourism Chamber	18,500	25,000	25,000	25,000	25,000
Tourism Website		-		-	-
ShoWare Marketing	60,000	60,000	60,000	60,000	60,000
Total Expenditures	328,804	452,750	441,566	291,190	294,400
Changes:					
Reduction of costs allocated from IT					(190)
Total Changes					(190)
Change in Fund Balance	(11,830)	(166,140)	(119,340)	3,640	6,270
ENDING FUND BALANCE	\$ 457,557	\$ 291,417	\$ 338,217	\$ 341,857	\$ 348,127

YOUTH / TEEN FUND

The Youth / Teen Fund was created to provide recreational activities for youth and teens in the City. The funding comes from a small portion of the utility taxes (0.3 percent of the first six percent). The Youth/Teen Fund transfers funds to the General Fund for a variety of youth and teen activities, such as after-school programs, mobile technology, playground programs, the Phoenix Academy and teen internships, as well as funding the Teen Golf Program.

	2017 Actual	2018 Budget	2018 Prelim	2019 Budget	2020 Budget
BEGINNING FUND BALANCE	\$ 91,130	\$ 104,887	\$ 104,887	\$ 87,733	\$ 87,733
Revenues					
Taxes:					
Water Utility Tax	65,099	61,810	67,543	71,450	71,450
Sewer Utility Tax	66,690	68,110	68,896	73,040	73,040
Drainage Utility Tax	88,124	86,410	90,296	91,140	91,140
Electric Utility Tax	387,123	357,050	374,377	374,910	376,780
Gas Utility Tax	110,583	101,340	97,095	103,890	103,890
Garbage Utility Tax	95,788	86,290	100,288	99,730	99,730
Telephone Utility Tax	142,351	174,860	126,351	143,390	139,800
Miscellaneous Revenue		350		180	180
Total Revenues	955,757	936,220	924,846	957,730	956,010
Expenditures					
Transfer to GF Youth/Teen Program	900,000	900,000	900,000	915,730	914,010
Teen Golf Program	42,000	42,000	42,000	42,000	42,000
Total Expenditures	942,000	942,000	942,000	957,730	956,010
Change in Fund Balance	13,757	(5,780)	(17,154)	-	-
ENDING FUND BALANCE	\$ 104,887	\$ 99,107	\$ 87,733	\$ 87,733	\$ 87,733

CAPITAL RESOURCES FUND

The Capital Resource Fund is the major source of general government capital funding in the City. The funding comes from a portion of the sales and use tax, all of the real estate excise tax, and a portion of the internal utility tax (four percent of 13 percent). The Capital Resources Fund pays for debt service on bonds issued for capital projects and pay-as-you-go capital projects for general governmental purposes, including parks and information technology.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$11,277,727	\$15,646,334	\$15,646,334	\$15,331,621	\$10,934,081
Revenues					
Taxes:					
Sales & Use Tax	5,683,979	4,464,280	5,174,219	4,594,420	4,239,620
Utility Tax - 2% int util tax	1,464,068	1,440,320	1,509,478	1,534,060	1,570,870
Real Estate Excise Tax	7,211,140	4,800,000	7,689,991	3,400,000	3,400,000
Miscellaneous Revenue	74,388	2,620	112,454	52,400	52,400
Transfers In - 4% int util tax/B&O	5,515,343	7,799,610	8,195,078	6,288,430	5,942,090
Transfers In - GF	300,000	325,000	325,000	325,000	325,000
Total Revenues	20,248,917	18,831,830	23,006,220	16,194,310	15,529,980
Changes:					
Sales Tax Swap				-	(470,000)
Total Changes				-	(470,000)

CAPITAL RESOURCES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
General Capital					
Transfer to Debt Service	10,279,638	10,330,430	10,077,200	9,889,850	8,208,000
Transfer to ShoWare Lifecycle	300,000	300,000	300,000	300,000	300,000
Transfer to Capital Projects:					
Fuel Island				1,750,000	
Fleet Vehicle Lifts				186,000	
City Buildings				2,000,000	2,000,000
City Hall Patio Repairs				200,000	
Security Fence at Corrections/Court				150,000	
Council Chambers Renovation		100,000	100,000		
Place Making/Meet Me On Meeke	450,000	450,000	450,000		
IT Capital Projects	1,750,000	1,250,000	1,250,000	2,250,000	2,250,000
Naden Ave & Willis St - right in/rig	250,000				
Downtown Strategic Action Plan	33,186	50,000	50,000		
Quiet Zone		2,400,000	2,400,000		
Property Sales & Acquisitions	519,848		260,295		
Neighborhood Grant Matching	3,809	25,000	33,438	25,000	25,000
Parks Capital and Lifecycle Maintenance					
Parks Capital Projects	2,037,145	8,400,000	8,400,000	3,341,000	4,869,000
Parks Lifecycle Maintenance	479,670			500,000	500,000
Total Expenditures	16,103,297	23,305,430	23,320,933	20,591,850	18,152,000
Changes:					
Fuel Island				1,750,000	
Fleet Vehicle Lifts				186,000	
City Buildings				2,000,000	2,000,000
City Hall Patio Repairs				200,000	
Security Fence at Corrections/Court				150,000	
IT Capital Projects				2,250,000	2,250,000
Parks Lifecycle Maintenance				(265,000)	(265,000)
Parks Capital Projects				3,341,000	4,869,000
Total Changes				9,612,000	8,854,000
Change in Fund Balance	4,145,620	(4,473,600)	(314,713)	(4,397,540)	(2,622,020)
Year-end Working Capital Adjustment	222,987				
ENDING FUND BALANCE	\$15,646,334	\$11,172,734	\$15,331,621	\$10,934,081	\$ 8,312,061

CRIMINAL JUSTICE FUND

The Criminal Justice Fund is used to account for revenues that are restricted to criminal justice purposes, including a voter approved 0.1 percent sales tax, state shared revenues and grants. The City Council has further restricted the use of the sales tax, dedicating 11 percent to domestic violence. The Criminal Justice Funds are currently used to pay a portion of police costs and a large percentage of the prosecuting attorney costs in the Law Department, which includes domestic violence programs.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 5,697,717	\$ 7,197,004	\$ 7,197,004	\$ 7,207,406	\$ 7,637,576
Revenues					
Sales & Use Tax	2,724,734	2,531,650	2,997,372	2,911,390	3,398,220
Intergovernmental Revenue	758,719	536,680	805,813	443,360	461,630
Charges for Services	81,124	144,000	99,256	94,200	96,080
Fines and Forfeitures	1,517,733	1,144,500	1,333,340	2,690,080	2,368,190
Miscellaneous Revenue	58,375	6,120	102,543	39,600	55,080
Transfers In	1,226,761	121,500	121,500	121,500	121,500
Total Revenues	6,367,446	4,484,450	5,459,823	6,300,130	6,500,700
Changes:					
School Zone/Red Light Camera Fines				1,587,150	1,263,590
Total Changes				1,587,150	1,263,590
Expenditures					
Salaries & Benefits	2,712,580	3,316,193	3,424,797	3,806,040	4,007,820
Supplies	452,707	643,579	615,191	635,170	354,100
Services & Charges	1,527,536	1,074,648	1,038,676	1,142,890	1,121,100
Vehicles & Equipment	627,075	444,400	513,672	868,000	868,000
Allocate to Annexation	(499,695)	(505,210)	(659,415)	(598,640)	(310,170)
Transfers Out	40,519	516,500	516,500	16,500	16,500
Total Expenditures	4,860,722	5,490,110	5,449,422	5,869,960	6,057,350

CRIMINAL JUSTICE FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures by Function					
Law - Prosecution	689,926	778,450	742,770	793,740	907,200
Law - Domestic Violence	179,078	193,490	190,199	199,490	205,240
KYFS - Youth Violence Prevention	25,000	25,250	25,000	25,760	26,280
Police	1,831,126	2,846,660	2,478,776	2,781,550	2,770,620
Police Special Programs	2,594,768	1,634,970	2,155,591	2,651,560	2,441,680
Allocate to Annexation	(499,695)	(505,210)	(659,415)	(598,640)	(310,170)
Transfers Out	40,519	516,500	516,500	16,500	16,500
Total Expenditures	4,860,722	5,490,110	5,449,422	5,869,960	6,057,350
Changes:					
Body Worn Cameras/In Car Video					
Camera Technician				109,510	112,970
Prosecuting Attorney				169,020	174,260
Admin Assistant 2				104,960	108,360
Equipment & IT Infrastructure				261,000	
Software				26,990	
Training				47,670	
Car Per Officer Program				868,000	868,000
Prosecuting Attorney - Cost Shift					87,720
Management Benefits - Reduce 50%				(2,390)	(2,390)
Medical Insurance - Reduce 5%					(21,480)
Facilities & IT Adjustments				(80)	(120)
Total Changes				1,584,680	1,327,320
Change in Fund Balance	1,506,724	(1,005,660)	10,401	430,170	443,350
Year-End Working Capital Adjustment	7,437				
ENDING FUND BALANCE	\$ 7,197,004	\$ 6,191,344	\$ 7,207,406	\$ 7,637,576	\$ 8,080,926

HOUSING & COMMUNITY DEVELOPMENT FUND

The Housing and Community Development Fund is used to provide a portion of the social services within the City utilizing Community Development Block Grant awards from HUD. These revenues fund the Home Repair Program and contracts with local service providers.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Revenues					
Block Grants - CDBG	\$ 895,427	\$ 1,183,182	\$ 945,824	\$ 1,175,190	\$ 1,175,190
Total Revenues	895,427	1,183,182	945,824	1,175,190	1,175,190
Expenditures					
Salaries & Benefits	516,802	591,720	511,755	651,810	673,140
Supplies	86,769	145,200	78,215	-	-
Services & Charges	291,857	411,262	322,526	523,380	502,050
Equipment		35,000	38,732		
Total Expenditures	895,427	1,183,182	951,227	1,175,190	1,175,190
Changes:					
Management Benefits - Reduce 50%				(730)	(730)
Medical Insurance - Reduce 5%					(5,250)
Offset Services Expenses				730	5,980
Total Changes				-	-
Expenditures by Program					
Planning & Administration	134,980	194,037	134,117	229,040	229,040
Home Repair	623,213	729,371	645,802	774,370	774,370
Service Providers	137,235	259,774	171,308	171,780	171,780
Total Expenditures by Program	\$ 895,427	\$ 1,183,182	\$ 951,227	\$ 1,175,190	\$ 1,175,190

CITY ARTS PROGRAM FUND

The City Arts Program Fund is used to collect and account for the annual remainder of the General Fund \$2 per capita dedicated to the program. In the General Fund, the equivalent of one employee and related supplies and services are funded with the \$2 per capita. At the end of each year, the remaining balance is transferred to the City Arts Program Fund to accumulate and provide funding for art acquisition and projects.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 436,914	\$ 526,158	\$ 526,158	\$ 587,401	\$ 587,401
Revenues					
Transfers In - General Fund	129,338	120,650	133,288	112,670	108,100
Total Revenues	129,338	120,650	133,288	112,670	108,100
Changes:					
Baseline Corrections				660	1,350
Total Changes				660	1,350
Expenditures					
Supplies	15,025			14,500	14,500
Services & Charges	21,434	120,650	72,045	98,170	93,600
Art	3,635				
Total Expenditures	40,094	120,650	72,045	112,670	108,100
Changes:					
Baseline Corrections				660	1,350
Total Changes				660	1,350
Change in Fund Balance	89,244	-	61,243	-	-
ENDING FUND BALANCE	\$ 526,158	\$ 526,158	\$ 587,401	\$ 587,401	\$ 587,401

SHOWARE OPERATING FUND

The ShoWare Operating Fund is used to track the operations of the 6,000-seat events center. The funding comes from the portion of admissions tax generated by the events center, as well as a contribution from the General Fund. The Capital Resources Fund provides regular funding for lifecycle maintenance and replacements.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,147,074	\$ 2,518,895	\$ 2,518,894	\$ 2,386,387	\$ 2,112,597
Revenues					
Other Revenue	518,118		129,691		
Transfer In - Admissions Tax	347,109	84,430	84,430		
Transfer In - General Fund	500,000	850,000	811,565	850,000	850,000
Transfer In - Capital Resources	300,000	300,000	300,000	300,000	300,000
Total Revenues	1,665,226	1,234,430	1,325,685	1,150,000	1,150,000
Expenditures					
Services & Charges	278,744	891,180	918,233	799,990	800,030
Lifecycle Expenses	203,786	300,000	20,908	599,000	300,000
Supplies	100,219	5,220	69,150		
Capital Outlay	375,861	99,550	312,820		
Debt Service - Principal	24,796	52,700	52,651	24,800	24,800
Transfer Out - ShoWare Lifecycle	310,000	84,430	84,430		
Total Expenditures	1,293,406	1,433,080	1,458,193	1,423,790	1,124,830
Change in Fund Balance	371,821	(198,650)	(132,507)	(273,790)	25,170
ENDING FUND BALANCE	\$ 2,518,895	\$ 2,320,245	\$ 2,386,387	\$ 2,112,597	\$ 2,137,767

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources to be used for the retirement of general long-term debt. The City has two types of long-term debt for which resources are accumulated: general obligation (voted and councilmanic) and special assessment debt. Payment of voted debt service is funded with proceeds from a special property tax levy. The City does not currently have any voted debt. Councilmanic long-term debt obligations are primarily funded with transfers from the special revenue funds (Street Operating and Capital Resources), as well as a small portion from the Water, Sewer and Drainage Utility Funds.

Special assessments are collected on local improvement districts. An assessment is levied on each property owner within the boundaries of the improvement district and are generally paid over ten years. The annual proceeds are used to retire special assessment debt incurred to complete the project, whether it's bonded debt or internally financed.

NON-VOTED DEBT SERVICE FUND

The City of Kent issues non-voted general obligation debt, often referred to as limited tax general obligation (LTGO) debt. The payments on this debt are primarily funded by transfers from the Capital Resources Fund. In addition, the Street Operating Fund covers street-related bond issues. Water and Sewerage Funds also transfers a small amount to cover their respective portions of the maintenance shop land.

As a result of the 2015 bond refunding, the City began accumulating fund balance in this fund to provide consistency in the annual payments from the Parks REET monies. The 2015 refunding was split into a taxable and non-taxable portion and to save on interest costs, the City structured payments to pay the taxable debt first and the tax-exempt debt afterward. Parks REET is responsible for the tax-exempt payments and will experience a significant increase in debt service beginning in 2021. Instead, Parks REET will pay a consistent annual debt service through the life of the debt (2024).

	2017 Actual	2018 Budget	2018 Prelim	2019 Budget	2020 Budget
BEGINNING FUND BALANCE	\$ 521,394	\$ 986,220	\$ 986,220	\$ 1,451,046	\$ 1,914,546
Revenues					
Intergovernmental	887,946			867,510	1,023,850
Transfers In	9,893,283	10,531,820	10,535,010	9,360,380	8,081,720
Total Revenues	10,781,229	10,531,820	10,535,010	10,227,890	9,105,570
Expenditures					
Debt Service - Principal	6,461,196	6,409,760	6,412,328	6,321,240	5,396,870
Debt Service - Interest	3,855,207	3,657,230	3,657,856	3,443,150	3,244,940
Total Expenditures	10,316,403	10,066,990	10,070,185	9,764,390	8,641,810
Expenditures by Bond Issue					
LTGO Taxable Bonds 2003	186,803	186,650	186,620		
LTGO Refund 2005	313,993	320,220	320,220	330,760	344,410
LTGO Bonds 2008	869,250	834,750	834,750		
LTGO Refund 2009	1,046,200	1,049,020	1,049,000	1,045,200	
LTGO Refund 2012	1,345,025	1,336,410	1,336,425	1,326,430	1,315,030
LTGO Refund 2014	1,152,902	971,330	971,330	935,030	1,427,070
LTGO Refund 2015	1,036,765	1,004,590	1,004,585	869,830	944,080
LTGO Refund 2016	3,553,650	3,556,060	3,556,050	4,451,700	3,809,900
Other Non-Voted Debt	811,816	807,960	811,205	805,440	801,320
Total Expenditures	10,316,403	10,066,990	10,070,185	9,764,390	8,641,810
Change in Fund Balance	464,826	464,830	464,826	463,500	463,760
ENDING FUND BALANCE	\$ 986,220	\$ 1,451,050	\$ 1,451,046	\$ 1,914,546	\$ 2,378,306

SPECIAL ASSESSMENT DEBT SERVICE FUND

Special assessments are assigned to specific parcels of real property, providing the funding source for the retirement of local improvement district (LID) bonds and notes. If the LID funded project is still under construction, the special assessment proceeds may be transferred directly to the project. All payments are supported solely by the amounts received from the property owners who derived benefit from the improvement.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,188,906	\$ 582,661	\$ 582,661	\$ 479,916	\$ 665,836
Revenues					
Special Assessments	1,456,781	1,151,890	1,123,334	1,033,090	573,770
Interest Income	503,840	352,570	326,382	272,290	219,410
Other Revenue	18,952		8,549		
Total Revenues	1,979,573	1,504,460	1,458,264	1,305,380	793,180
Expenditures					
Transfers Out to Projects	1,957,330	938,470	1,394,923	1,119,460	784,160
Other Expenditures	3,613		(1,354)		
Debt Service - Principal	590,000	550,000	160,000		
Debt Service - Interest	34,875	75,000	7,440		
Total Expenditures	2,585,818	1,563,470	1,561,009	1,119,460	784,160
Change in Fund Balance	(606,245)	(59,010)	(102,745)	185,920	9,020
ENDING FUND BALANCE	\$ 582,661	\$ 523,651	\$ 479,916	\$ 665,836	\$ 674,856

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financial resources segregated for the acquisition and/or construction of general government capital facilities and other major assets. Capital Projects Funds allow the City to carry over project budgets and costs from year to year until the project is completed. At year end, both completed and in-progress projects are capitalized in the General Fixed Asset Account Group.

Potential financing for capital project activity includes, but is not limited to:

- ◆ Transfers from the General Fund or special revenue funds, such as the Street Operating Fund and Capital Resource Fund
- ◆ Issuance of general obligation debt, voted and/or councilmanic
- ◆ Formation of a local improvement district
- ◆ Federal, state and/or county grants
- ◆ Other contributions, transportation impact fees and donations

STREET CAPITAL PROJECTS FUND

The Street Capital Projects Fund is used to account for financial resources to be used for the acquisition and/or construction of major street capital improvements.

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - LID Funded Projects	\$ 336,740	\$ 32,310
Transfers In - Solid Waste Utility Tax	3,026,000	3,043,800
Transfers In - B&O Tax	3,740,600	3,793,870
Total Revenues	7,103,340	6,869,980
Capital Projects & Expenditures		
B&O In-house Overlays	250,000	250,000
B&O Street Contracted	1,284,000	2,943,870
Panther Lake Signal System Integration		400,000
Residential Street Contracted	2,776,000	2,793,800
Residential Street Capital	250,000	250,000
Safe Route to School Meridian Elementary	100,000	
Street Lights - New	200,000	200,000
Willis Street and 4th Roundabout	1,906,600	
Return Street Monies for LID Funded Projects	336,740	32,310
Total Expenditures	7,103,340	6,869,980
Revenues Less Expenditures	\$ -	\$ -

PARKS CAPITAL PROJECTS FUND

The Parks Capital Projects Fund is used to account for financial resources to be used for the acquisition and/or construction of major park facilities.

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - General Fund - B&O Square Footage Tax	\$ 3,000,000	\$ 3,000,000
Transfers In - Capital Resources Fund		1,500,000
Transfers In - REET 2	341,000	369,000
Sale of Land		(1,500,000)
Total Revenues	3,341,000	3,369,000
Capital Projects & Expenditures		
Downtown Place Making - Burlington/Kaibara		300,000
Downtown Place-Making - Kherson Urban Play	250,000	
Gateways	50,000	
GR Trail/Van Doren's Park Design (Lower Russell Road Levee Setback)	900,000	
Hogan Park at Russell Road Reno. Ph II		500,000
KVLT - Old Fishing Hole Improvements		300,000
Masterplans	40,000	40,000
Morrill Meadows Expansion Phase 2	1,150,000	
NPRP - Chestnut Ridge Playground		166,000
NPRP - Salt Air Vista	201,000	
Parks Land Acquisition	500,000	
Service Club Park Loop Trail	250,000	
Springwood Park Renovation		2,063,000
Total Expenditures	3,341,000	3,369,000
Revenues Less Expenditures	\$ -	\$ -

IT CAPITAL PROJECTS FUND

The IT Capital Projects Fund is used to account for the financial resources to be used for the acquisition and/or development of major technological equipment, software and other one-time projects.

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Capital Resources Fund	\$ 2,250,000	\$ 2,250,000
Total Revenues	2,250,000	2,250,000
Capital Projects & Expenditures		
HLC 17-18 Server Replacement	50,000	50,000
HLC 17-18 Telephony	75,000	100,000
HLC16-18 Data Center	75,000	75,000
HLC16-18 Network Refresh	400,000	
HLC16-18 Security	100,000	200,000
HLC16-18 UPS		25,000
SLC18-20 Admin Systems Replacement Reserves	27,600	83,500
SLC18-21 PD Systems Replacement Reserves	110,400	334,000
SLC18-21 Law Systems Replacement Reserves	27,600	83,500
SLC18-22 HR Systems Replacement Reserves	55,200	167,000
SLC18-23 Fin Systems Replacement Reserves	82,800	250,500
SLC18-26 PW Systems Replacement Reserves	55,200	167,000
SLC18-26 PRCS Systems Replacement Reserves	27,600	83,500
SLC18-27 Court Systems Replacement Reserves	27,600	83,500
SLC18-27 ECD Systems Replacement Reserves	55,200	167,000
SLC18-28 Clerk Systems Replacement Reserves	55,200	167,000
SLC18-29 IT Systems Replacement Reserves	27,600	83,500
Automated License Plate Reader (ALPR)	95,000	
Jail Camera Replacement	242,000	
Multimedia Asset Management (MAM)	75,000	
Traffic Network Upgrade	400,000	
Intrusion Detection/Prevention System	150,000	
Collaboration Tool Procurement		50,000
Network Pen Testing		80,000
City Services Kiosk (pilot)	36,000	
Total Expenditures	2,250,000	2,250,000
Revenues Less Expenditures	\$ -	\$ -

FACILITIES CAPITAL PROJECTS FUND

The Facilities Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or capital improvements of major City-owned facilities.

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Capital Resources Fund	\$ 2,350,000	\$ 2,000,000
Total Revenues	2,350,000	2,000,000
Capital Projects & Expenditures		
City Buildings	2,000,000	2,000,000
City Hall Patio Repairs	200,000	-
Security Fence at Corrections/Court	150,000	-
Total Expenditures	2,350,000	2,000,000
Revenues Less Expenditures	\$ -	\$ -

ENTERPRISE FUNDS

Enterprise Funds are used to account for the financing of services provided to residents and the general public, where all or most of the costs are paid for by user charges. These enterprises are operated in a manner similar to a private sector business. All revenues and expenditures, including debt service and capital costs, are consolidated to provide a more complete financial presentation. An analysis can easily be made to see the relationship between user charges and the total cost of operation.

Kent currently operates five enterprise funds:

- ◆ Water Utility Fund
- ◆ Sewer Utility Fund
- ◆ Drainage Utility Fund
- ◆ Solid Waste Utility Fund
- ◆ Golf Complex Fund

WATER UTILITY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$11,761,566	\$13,088,191	\$13,088,191	\$14,466,576	\$ 7,832,136
Revenues					
Charges for Services	21,810,968	20,796,640	22,519,154	23,363,100	23,923,790
System Dev/Connection Charges	1,986,572	980,000	1,852,189	1,451,100	1,480,120
Miscellaneous Revenue	976,012	217,500	1,178,818	661,350	674,580
Transfers In	500				
Operating Revenues	24,774,051	21,994,140	25,550,161	25,475,550	26,078,490
Transfers In - Debt Service	3,435,184	3,724,180	3,760,718	4,113,510	3,579,390
Total Revenues	28,209,235	25,718,320	29,310,879	29,589,060	29,657,880
Expenditures					
Salaries & Benefits	2,956,384	3,220,780	3,152,687	3,500,220	3,614,120
Supplies	621,832	671,300	537,557	815,650	830,030
Services & Charges	8,919,899	10,283,510	9,281,302	10,874,800	11,224,460
Vehicles & Equipment	17,661			120,000	
Cost Allocation	(506,142)	(500,000)	(371,148)	(480,000)	(480,000)
Transfers to Debt Service	47,360	46,980	46,983		
Transfers to Capital Projects	7,450,000	7,772,500	7,760,420	13,119,000	5,627,000
Debt Service - Principal	2,024,028	2,044,030	2,044,028	2,304,030	2,264,020
Debt Service - Interest	1,611,727	1,680,150	1,719,948	1,809,480	1,315,370
Operating Expenditures	23,142,748	25,219,250	24,171,776	32,063,180	24,395,000
Transfers Out - Debt Service	3,435,184	3,724,180	3,760,718	4,160,320	3,579,390
Total Expenditures	26,577,932	28,943,430	27,932,494	36,223,500	27,974,390
Changes:					
Excavator & Equipment Trailer				120,000	
Maintenance Worker 2 - Term Limited 1 FTE				94,570	95,630
Management Benefits - Reduce 50%				(1,820)	(1,820)
Medical Insurance - Reduce 5%					(26,240)
Facilities & IT Adjustments				(14,140)	(12,760)
Total Changes				198,610	54,810
Change in Fund Balance	1,631,303	(3,225,110)	1,378,385	(6,634,440)	1,683,490
Year-End Working Capital Adjustment	304,678				
ENDING FUND BALANCE	\$13,088,191	\$ 9,863,081	\$14,466,576	\$ 7,832,136	\$ 9,515,626

WATER UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Water Operating	\$ 13,119,000	\$ 5,627,000
Total Revenues	13,119,000	5,627,000
Capital Projects & Expenditures		
224th St Phase II (224th-228th) (88th-94th)	450,000	
Clark Springs Transmission Main Evaluation	10,000	
Clark Springs Well	12,000	
E. Hill Pressure Zone		1,500,000
Habitat Conservation Plan Implementation	1,222,000	413,000
KentSprings Well Rehab		75,000
Landsburg Mine	790,000	804,000
Misc Water Improvements	500,000	500,000
Pump Station #3 Replacement	400,000	
Reservoir Maintenance & Improvements	100,000	
Security Improvements on Water Sites	150,000	50,000
Tacoma Pipeline	50,000	50,000
Water Generators		1,000,000
Water Main Repairs/Replacements	1,000,000	1,000,000
Water System PLC Upgrades	35,000	35,000
Wellhead Protection	200,000	200,000
West Hill Reservoir; Pump Station, Reservoir & Tran	8,200,000	
Total Expenditures	13,119,000	5,627,000
Revenues Less Expenditures	\$ -	\$ -

SEWER UTILITY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,641,984	\$ 4,335,539	\$ 4,335,539	\$ 6,326,036	\$ 6,478,196
Revenues					
Charges for Services	30,376,256	31,350,560	31,317,308	31,425,200	32,179,420
System Dev/Connection Charges			17,414	17,200	17,540
Licenses and Permits	95,770	45,000	89,578	71,810	73,250
Intergovernmental					
Miscellaneous Revenue	411,422	41,500	2,062,339	300,020	306,010
Transfers In	4,600	3,770	6,619	6,080	3,440
Total Revenues	30,888,049	31,440,830	33,493,258	31,820,310	32,579,660
Expenditures					
Salaries & Benefits	1,103,709	1,345,170	1,307,119	1,390,540	1,435,100
Supplies	155,387	131,450	167,631	152,000	154,300
Services & Charges	25,832,415	26,739,870	26,561,057	27,470,610	27,685,220
Cost Allocation	(59,842)	(26,200)	(40,606)	(50,000)	(50,000)
Transfers to Capital Projects	2,100,000	3,507,500	3,507,500	2,705,000	3,187,000
Debt Service - Interest	308		61		
Total Expenditures	29,131,978	31,697,790	31,502,762	31,668,150	32,411,620
Changes:					
Management Benefits - Reduce 50%				(1,300)	(1,300)
Medical Insurance - Reduce 5%					(10,300)
Facilities & IT Adjustments				(790)	1,650
Total Changes				(2,090)	(9,950)
Change in Fund Balance	1,756,071	(256,960)	1,990,496	152,160	168,040
Year-End Working Capital Adjustment	62,516				
ENDING FUND BALANCE	\$ 4,335,539	\$ 4,335,539	\$ 6,326,036	\$ 6,478,196	\$ 6,646,236

SEWER UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfer In - Special Assessments	\$ 6,080	\$ 3,440
Transfers In - Sewer Operating	2,705,000	3,187,000
Total Revenues	2,711,080	3,190,440
Capital Projects & Expenditures		
Comprehensive Sewer Plan	500,000	
Derbyshire		500,000
Linda Heights Pump Station	1,205,000	
Miscellaneous Sewer	500,000	500,000
Skyline Sewer Interceptor	500,000	2,187,000
Total Sewer Projects	2,705,000	3,187,000
Return Sewer Monies for LID Funded Projects	6,080	3,440
Total Expenditures	2,711,080	3,190,440
Revenues Less Expenditures	\$ -	\$ -

DRAINAGE UTILITY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 9,093,793	\$12,339,611	\$12,339,611	\$10,516,328	\$ 4,181,878
Revenues					
Charges for Services	19,583,134	19,720,000	20,065,734	20,014,300	20,494,600
System Dev/Connection Charges	1,807,815	750,000	1,358,780	1,461,000	1,490,220
Intergovernmental	189,891		151,539		
Miscellaneous Revenue	308,996	7,000	24,279	15,100	15,400
Transfers In	138				
Operating Revenues	21,889,974	20,477,000	21,600,332	21,490,400	22,000,220
Transfers In - Debt Service	1,462,265	1,537,520	1,713,479	1,853,220	1,522,210
Total Revenues	23,352,239	22,014,520	23,313,811	23,343,620	23,522,430
Expenditures					
Salaries & Benefits	3,236,302	4,152,720	3,698,491	4,283,260	4,421,410
Supplies	295,472	326,080	252,230	457,380	461,435
Services & Charges	9,191,413	9,839,910	9,460,880	9,817,380	10,166,415
Capital Outlay	284,186	146,000	155,066	510,000	
Cost Allocation	(727,838)	(565,000)	(812,512)	(660,000)	(660,000)
Transfers to Debt Service	73,180	72,880	72,876	72,610	
Transfers to Capital Projects	4,458,742	8,872,500	8,872,496	11,491,000	5,371,000
Debt Service - Principal	1,023,670	981,100	981,105	1,009,650	1,154,990
Debt Service - Interest	631,098	556,420	742,982	843,570	367,220
Operating Expenditures	18,466,226	24,382,610	23,423,614	27,824,850	21,282,470
Transfer Out - Debt Service	1,462,265	1,537,520	1,713,479	1,853,220	1,522,210
Total Expenditures	19,928,492	25,920,130	25,137,093	29,678,070	22,804,680
Changes:					
Remote Controlled Mower				115,000	
10-yd Dump Truck & Attachments				275,000	
Excavator & Equipment Trailer				120,000	
Management Benefits - Reduce 50%				(8,030)	(8,030)
Medical Insurance - Reduce 5%					(27,760)
Facilities & IT Adjustments				(40,630)	(54,120)
Remove Federal Lobbyist				(56,000)	(56,000)
Total Changes				405,340	(145,910)
Change in Fund Balance	3,423,748	(3,905,610)	(1,823,282)	(6,334,450)	717,750
Year-End Working Capital Adjustment	177,930				
ENDING FUND BALANCE	\$12,339,611	\$ 8,434,001	\$10,516,328	\$ 4,181,878	\$ 4,899,628

DRAINAGE UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfer-In - Drainage Operating	\$ 11,491,000	\$ 5,371,000
Total Revenues	11,491,000	5,371,000
Capital Projects & Expenditures		
132nd Ave Drainage	100,000	
LID 363-224th-228th	300,000	
228th UP/BN Grade Separation	1,500,000	
County Road 8	600,000	200,000
Downey Farmstead	400,000	250,000
Drainage Master Plan	500,000	500,000
Frager Rd Levee	300,000	200,000
GRNRA Pump Station		250,000
GRNRA S Pump Station	3,000,000	
Kent Airport Levee	200,000	100,000
Lake Fenwick Aeration	300,000	
Lower Russell Road Levee	250,000	250,000
Mill Creek @ 76th Ave Flood Protection	191,000	1,000,000
Milwaukee II Levee	200,000	100,000
Misc Drainage	1,000,000	1,121,000
Misc Environmental	1,000,000	
N Fork Meridian Valley Culvert	100,000	300,000
S 224th St. Phase 2	500,000	
Upper Mill Creek Dam		500,000
Vactor Site Improvements	150,000	
Valley Channel Rehabilitation	500,000	500,000
Valley Creek System CLOMR	400,000	100,000
Total Expenditures	11,491,000	5,371,000
Revenues Less Expenditures	\$ -	\$ -

SOLID WASTE UTILITY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 302,528	\$ 479,431	\$ 479,431	\$ 466,751	\$ 485,211
Revenues					
Charges for Services	598,539	600,000	632,057	614,860	627,160
Intergovernmental	150,636	149,500	157,053		
Miscellaneous Revenue	5,692		10,683	3,950	4,030
Total Revenues	754,868	749,500	799,794	618,810	631,190
Expenditures					
Salaries & Benefits	424,632	544,510	526,310	482,330	498,320
Supplies	9,928	-	30,708	5,050	5,160
Services & Charges	38,962	227,820	196,295	112,970	118,940
Vehicles & Equipment		35,000	43,086		
Cost Allocation	(46,927)		(27,012)		
Transfers Out			43,086		
Project Expenditures	151,368				
Total Expenditures	577,964	807,330	812,474	600,350	622,420
Changes:					
Management Benefits - Reduce 50%				(370)	(370)
Medical Insurance - Reduce 5%					(4,230)
Reduce IT Allocation				(1,860)	(1,720)
Total Changes				(2,230)	(6,320)
Change in Fund Balance	176,904	(57,830)	(12,680)	18,460	8,770
ENDING FUND BALANCE	\$ 479,431	\$ 421,601	\$ 466,751	\$ 485,211	\$ 493,981

UTILITY CLEARING FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Salaries & Benefits	\$ 4,279,785	\$ 4,827,730	\$ 4,706,808	\$ 5,152,840	\$ 5,344,740
Supplies	277,624	279,840	234,231	354,460	360,020
Services & Charges	2,929,959	2,982,200	2,848,422	3,082,850	3,469,480
Vehicles & Equipment					
Allocated to Utilities & Streets	(7,479,353)	(8,089,770)	(7,785,602)	(8,590,150)	(9,174,240)
Total Expenditures	8,014	-	3,860	-	-
Expenditures by Function					
Finance Customer Services	2,704,574	2,904,220	2,609,076	2,901,600	3,275,730
Finance Meter Services	433,893	478,260	451,907	513,270	531,360
PWO Administration	1,477,334	1,761,710	1,696,224	1,832,270	1,884,960
PWO Warehouse	539,443	556,210	458,404	594,240	613,510
PWO Vegetation	2,332,124	2,389,370	2,573,850	2,748,770	2,868,680
Allocated to Utilities & Streets	(7,479,353)	(8,089,770)	(7,785,602)	(8,590,150)	(9,174,240)
Total Expenditures	\$ 8,014	\$ -	\$ 3,860	\$ -	\$ -
Changes:					
Change Cust Svc Manager Split to 70%/30%				26,130	27,020
Move 2 MW2 .25 to Parks				(38,190)	(41,120)
Merchant Card Fees					300,000
Management Benefits - Reduce 50%				(2,890)	(2,890)
Medical Insurance - Reduce 5%					(33,790)
Facilities & IT Adjustments				(12,380)	(20,580)
Clearing Allocation				27,330	(228,640)
Total Changes				-	-

GOLF COMPLEX FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$(3,768,127)	\$(3,816,932)	\$(3,816,932)	\$(949,235)	\$(1,100,815)
Revenues					
18 Hole Course	1,274,550	1,410,420	1,393,669	1,513,160	1,556,210
Par 3 Course	183,449	292,580	8,021		
Driving Range	598,457	624,250	571,437	687,040	805,800
Merchandising	328,455	450,000	332,633	515,640	531,110
Miscellaneous Revenue	119,269	94,160	96,503	33,370	33,870
Sale of Land	500,000	6,012,440	6,012,440		1,294,000
Transfer In	22,900	200,000	200,000	70,000	70,000
Operating Revenues	3,027,079	9,083,850	8,614,704	2,819,210	4,290,990
Transfers In - Debt Service		704,540	719,219		
Total Revenues	3,027,079	9,788,390	9,333,923	2,819,210	4,290,990
Changes:					
Retain Admissions Tax				70,000	70,000
Realign Revenue to Business Plan				170,380	348,160
Total Changes				240,380	418,160
Expenditures					
Salaries & Benefits	1,469,066	1,499,830	1,317,057	1,435,390	1,477,100
Supplies	477,249	615,300	436,021	569,180	563,070
Services	846,629	818,100	676,688	695,090	712,810
Vehicles & Equipment		639,450	639,447		
Debt Service - Principal		75,440	50,981	151,130	158,940
Debt Service - Interest	38,364	12,630	53,058	40,000	32,190
Transfer To Golf Capital Projects	250,000	2,573,754	2,573,754	80,000	1,294,000
Operating Expenditures	3,081,308	6,234,504	5,747,007	2,970,790	4,238,110
Transfer Out - Debt Service		704,540	719,219		
Total Expenditures	3,081,308	6,939,044	6,466,225	2,970,790	4,238,110
Changes:					
Add 0.15 FTE Golf Pro				12,200	6,050
Accounting Change for Golf Lessons				65,600	66,300
Reclass 1.0 FTE Field Sup to MWIV					(12,950)
Reclass 1.0 FTE MWIII to MWIV					8,800
Adjust Overtime to Business Plan				(34,495)	(34,342)
Adjust Temp Help to Business Plan				77,795	57,042
Realign Expenditures to Business Plan				(80,970)	(76,790)
Total Changes				40,130	14,110
Change in Fund Balance	(54,229)	2,849,346	2,867,697	(151,580)	52,880
Year-end Working Capital Adjustment	5,424				
ENDING FUND BALANCE	\$(3,816,932)	\$(967,586)	\$(949,235)	\$(1,100,815)	\$(1,047,935)

GOLF FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Golf Fund	\$ 80,000	\$ 1,294,000
Total Revenues	80,000	1,294,000
Capital Projects & Expenditures		
Golf Clubhouse Renovations	40,000	34,000
Golf Course Accessories		100,000
Golf Course Renovations/Improvements		510,000
Golf Driving Range Renovations	40,000	
Golf Irrigation System Upgrades		650,000
Total Expenditures	80,000	1,294,000
Revenues Less Expenditures	\$ -	\$ -

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of specific services performed by organizations within the City for other organizations within the City. In this manner, the efficiency of centralized City services can be obtained while still being able to distribute the cost of these services to user organizations. These services are "sold" to other funds at cost plus a reserve for future needs.

The City maintains the following Internal Service Funds:

- ◆ Fleet Services—acquisition, maintenance and lifecycle replacement of vehicles and equipment
- ◆ Central Stores— postage and office supplies
- ◆ Information Technology—acquisition, maintenance and lifecycle replacement of technology equipment and software systems
- ◆ Facilities—acquisition, maintenance and lifecycle renovations of buildings and grounds
- ◆ Insurance—self-insurance, including unemployment, workers compensation, employee health and wellness, liability and property

FLEET SERVICES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 5,134,423	\$ 5,869,149	\$ 5,869,149	\$ 4,199,591	\$ 4,912,001
Revenues					
Fleet Operations	3,220,645	3,241,270	3,218,626	3,332,310	3,434,700
Fleet Replacement	1,502,149	1,499,890	1,501,020	1,574,760	1,629,760
Miscellaneous Revenue	757,415	20,000	897,101	50,000	51,000
Operating Revenues					
Transfers In - Projects				1,750,000	
Total Revenues	5,480,210	4,761,160	5,616,747	6,707,070	5,115,460
Changes:					
Returned from Fuel Island				1,750,000	
Total Changes				1,750,000	
Expenditures					
Salaries & Benefits	976,394	1,140,220	1,118,070	1,196,950	1,236,720
Supplies	899,889	1,519,610	1,240,397	1,459,860	1,489,050
Services & Charges	847,717	656,330	723,842	837,850	862,720
Vehicles & Equipment	1,440,654	4,052,840	2,453,996	2,500,000	2,500,000
Operating Expenditures	4,164,654	7,369,000	5,536,305	5,994,660	6,088,490
Transfers Out to Projects		1,750,000	1,750,000		
Total Expenditures	4,164,654	9,119,000	7,286,305	5,994,660	6,088,490
Changes:					
Management Benefits - Reduce 50%				(920)	(920)
Medical Insurance - Reduce 5%					(8,790)
Facilities & IT Adjustments				(3,570)	(3,520)
Allocation Adjustments				(880)	(3,210)
Total Changes				(5,370)	(16,440)
Change in Fund Balance	1,315,555	(4,357,840)	(1,669,558)	712,410	(973,030)
Year-End Working Capital Adjustment	580,830				
ENDING FUND BALANCE	\$ 5,869,149	\$ 1,511,309	\$ 4,199,591	\$ 4,912,001	\$ 3,938,971

FLEET SERVICES FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Capital Resources Fund	\$ 1,936,000	
Total Revenues	1,936,000	-
Capital Projects & Expenditures		
Transfer Vehicle Reserves Funding to Fleet	1,750,000	
Replace Vehicle Lifts	186,000	
Total Expenditures	1,936,000	-
Revenues Less Expenditures	\$ -	\$ -

CENTRAL STORES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ (63,568)	\$ (3,113)	\$ (3,113)	\$ 15,044	\$ 74,844
Revenues					
Central Stores Sales	168,769	236,180	148,816	228,700	233,240
Postage Sales	181,833	213,130	225,239	218,390	222,770
Rebates			1,355		
Total Revenues	350,602	449,310	375,410	447,090	456,010
Expenditures					
Central Stores	144,861	204,120	142,029	180,000	183,600
Postage	145,287	217,030	215,224	207,290	211,440
Total Expenditures	290,147	421,150	357,253	387,290	395,040
Change in Fund Balance	60,455	28,160	18,157	59,800	60,970
ENDING FUND BALANCE	\$ (3,113)	\$ 25,047	\$ 15,044	\$ 74,844	\$ 135,814

INFORMATION TECHNOLOGY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 3,640,615	\$ 3,593,294	\$ 3,593,294	\$ 3,321,349	\$ 3,380,899
Revenues					
Utility Tax	1,517,778	1,488,410	1,442,385	1,518,200	1,736,980
Intergovernmental - RFA	546,104	501,540	542,171	501,540	
IT Services - Outside	51,878	53,500	52,154	55,500	55,500
Technology Fees	595,538	486,000	639,690	531,000	531,000
IT Internal Contributions	5,413,360	5,604,310	5,645,823	5,943,460	6,333,820
Miscellaneous Revenue	48,821		78,849		
Transfers In		3,875	3,874	589,000	
Total Revenues	8,173,478	8,137,635	8,404,946	9,138,700	8,657,300
Changes:					
Adjust Revenues from Depts - per exp changes				(160,350)	(160,350)
Project savings returned to operating				589,000	
Eliminate RFA Contract					(501,540)
Total Changes				428,650	(661,890)
Expenditures					
Salaries & Benefits	4,358,036	4,968,810	4,804,803	5,320,980	5,486,940
Supplies	454,363	331,060	348,165	336,910	343,500
Services & Charges	2,770,840	3,230,950	3,336,861	3,796,150	4,016,530
Vehicles & Equipment	-				
Allocate to Annexation	(403,397)	(372,100)	(360,597)	(374,890)	(188,380)
Transfer to IT Capital Projects	995,460	547,660	547,660		
Total Expenditures	8,175,302	8,706,380	8,676,892	9,079,150	9,658,590
Changes:					
Business Analysts (2) - contracted				260,000	260,000
JDE Developer - contracted				290,000	290,000
PD Mobile Router Connections				22,000	22,000
Desktop & Laptop Replacements				60,000	60,000
Cell phones - right size plans				(29,980)	(29,980)
Microsoft - reduce to 700 licenses				(65,000)	(65,000)
Halogen - replace with NeoGov				(61,640)	(61,640)
Supplies - reduce to historic trend				(39,120)	(39,120)
Software				(12,070)	(12,070)
Telephone - reduce to historical trend				(34,540)	(34,540)
Management Benefits - 50%				(18,300)	(18,300)
Reduce Medical Increase from 10% to 5%					(30,430)
Reduction of costs allocated to IT				(3,880)	(6,800)
Total Changes				367,470	334,120
Change in Fund Balance	(1,824)	(568,745)	(271,945)	59,550	(1,001,290)
Year-end Working Capital Adjustment	(45,497)				
ENDING FUND BALANCE	\$ 3,593,294	\$ 3,024,549	\$ 3,321,349	\$ 3,380,899	\$ 2,379,609

FACILITIES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,340,684	\$ 2,316,961	\$ 2,316,961	\$ 2,354,102	\$ 2,270,532
Revenues					
Intergovernmental - RFA	144,245	183,960	149,651	147,400	147,400
Rental Fees - Internal	4,477,750	4,653,700	4,653,680	4,971,980	4,990,360
Miscellaneous Revenue	115,528	66,920	166,740	85,500	87,310
Transfers In					
Total Revenues	4,737,522	4,904,580	4,970,072	5,204,880	5,225,070
Changes:					
Adjust Revenues from Depts - per exp changes					(89,800)
Total Changes					
Expenditures					
Salaries & Benefits	1,927,555	2,283,460	2,107,490	2,344,000	2,327,580
Supplies	268,171	293,260	382,766	292,110	292,440
Services & Charges	1,840,224	1,974,390	1,851,675	2,102,340	2,147,330
Vehicles & Equipment					
Transfers Out to Projects	726,000	591,000	591,000	550,000	550,000
Total Expenditures	4,761,950	5,142,110	4,932,931	5,288,450	5,317,350
Changes:					
Maintenance Worker 3					(89,800)
Management Benefits - 50%				(1,650)	(1,650)
Reduce Medical Increase from 10% to 5%					(14,760)
Reduction of costs allocated to Facilities				(4,440)	(4,780)
Total Changes				(6,090)	(110,990)
Change in Fund Balance	(24,427)	(237,530)	37,141	(83,570)	(92,280)
Year-end Working Capital Adjustment	704				
ENDING FUND BALANCE	\$ 2,316,961	\$ 2,079,431	\$ 2,354,102	\$ 2,270,532	\$ 2,178,252

FACILITIES FUND—PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Facilities Operating	\$ 550,000	\$ 550,000
Total Revenues	550,000	550,000
Projects & Expenditures		
Facilities Lifecycle Projects	550,000	550,000
Total Expenditures	550,000	550,000
Revenues Less Expenditures	\$ -	\$ -

INSURANCE FUND—UNEMPLOYMENT

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,332,446	\$ 1,424,508	\$ 1,424,508	\$ 1,401,222	\$ 1,349,312
Revenues					
Contributions - Unemployment	152,568	120,700	129,112	120,700	120,700
Miscellaneous Revenue	14,647	1,000	29,453	1,000	1,000
Total Revenues	167,215	121,700	158,565	121,700	121,700
Expenditures					
Salaries & Benefits	25,408	28,990	29,644	30,610	31,510
Supplies				-	-
Services & Charges	2,796	3,000	2,796	3,000	3,000
Unemployment - Claims Paid	46,950	140,000	149,411	140,000	140,000
Total Expenditures	75,154	171,990	181,851	173,610	174,510
Changes:					
Management Benefits - Reduce 50%				(170)	(170)
Medical Insurance - Reduce 5%					(150)
Total Changes				(170)	(320)
Change in Fund Balance	92,061	(50,290)	(23,286)	(51,910)	(52,810)
ENDING FUND BALANCE	\$ 1,424,508	\$ 1,374,218	1,401,222	\$ 1,349,312	\$ 1,296,502

INSURANCE FUND—WORKERS COMPENSATION

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,305,514	\$ 2,374,327	\$ 2,374,327	\$ 2,049,874	\$ 1,686,894
Revenues					
Contributions - Unemployment	1,033,144	1,071,000	1,049,125	1,082,000	1,082,000
Miscellaneous Revenue	48,948	593,800	781,376	12,000	12,000
Transfers In					
Total Revenues	1,082,091	1,664,800	1,830,501	1,094,000	1,094,000
Expenditures					
Salaries & Benefits	101,633	115,930	118,575	122,270	125,880
Judgments & Damages	597,313	2,040,000	1,735,966	950,000	950,000
Liability Insurance	71,588	80,500	68,673	88,550	97,410
Intergovernmental Services	146,370	140,000	131,215	140,000	140,000
Administrative Costs	59,321	60,000	53,359	60,000	60,000
Other Expenses	16,372	16,000	9,768	16,160	16,160
Safety Program	20,681	80,000	37,398	80,000	80,000
Total Expenditures	1,013,278	2,532,430	2,154,953	1,456,980	1,469,450
Changes:					
Management Benefits - Reduce 50%				(660)	(660)
Medical Insurance - Reduce 5%				-	(600)
Total Changes				(660)	(1,260)
Change in Fund Balance	68,813	(867,630)	(324,452)	(362,980)	(375,450)
ENDING FUND BALANCE	\$ 2,374,327	\$ 1,506,697	2,049,874	\$ 1,686,894	\$ 1,311,444

INSURANCE FUND—HEALTH & WELLNESS

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 4,681,152	\$ 2,960,567	\$ 2,960,567	\$ 3,993,127	\$ 4,146,997
Revenues					
Blue Cross - City	7,573,643	9,054,710	8,944,307	10,865,650	11,408,930
Group Health - City	355,873	345,000	439,747	400,000	420,000
HSA - City	1,941,442	2,458,460	2,020,170	2,400,000	2,520,000
Blue Cross - Employee	607,060	767,820	645,472	921,380	967,450
Group Health - Employee	44,421	45,000	56,135	50,000	52,500
Blue Cross - Cobra	35,460	30,000	145,463	50,000	55,000
Miscellaneous Revenue	400,068	295,000	606,499	365,000	365,300
Trasnfers In	750,000	1,000,000	1,000,000		
Total Revenues	11,707,967	13,995,990	13,857,791	15,052,030	15,789,180
Changes:					
Medical Insurance - Reduce 5%					(709,360)
Total Changes					(709,360)
Expenditures					
Salaries & Benefits	1,084				
Claims Paid	11,842,669	12,896,230	11,009,511	13,154,150	13,548,780
Group Health Premiums	400,294	390,000	495,882	397,800	409,730
Third Party Admin Fees	495,989	540,300	535,704	551,110	567,640
Stop Loss Fees	540,056	590,000	602,289	601,800	619,850
Wellness Program	98,173	128,000	63,157	106,170	109,360
Other Professional Services	42,657	75,000	105,935	76,500	78,790
Other Expenses	7,630	10,420	12,753	10,630	10,950
Total Expenditures	13,428,552	14,629,950	12,825,231	14,898,160	15,345,100
Change in Fund Balance	(1,720,584)	(633,960)	1,032,560	153,870	444,080
ENDING FUND BALANCE	\$ 2,960,567	\$ 2,326,607	\$ 3,993,127	\$ 4,146,997	\$ 4,591,077

INSURANCE FUND—LIABILITY INSURANCE

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,754,057	\$ 1,661,132	\$ 1,661,132	\$ 1,460,235	\$ 1,253,325
Revenues					
Contributions - Insurance	1,243,000	1,504,060	1,504,060	1,804,690	2,165,640
Miscellaneous Revenue	21,976	6,000	37,226	6,000	6,000
Reimbursements	822,778		109,622		
Transfers In		300,000	300,000		
Total Revenues	2,087,755	1,810,060	1,950,908	1,810,690	2,171,640
Expenditures					
Salaries & Benefits	101,633	115,930	118,574	122,270	125,880
Claims & Judgments	1,167,296	1,150,000	1,128,815	985,000	1,000,000
Insurance Premiums	750,343	750,000	624,638	750,000	750,000
Other Expenses	161,407	160,000	279,778	160,330	160,240
Total Expenditures	2,180,680	2,175,930	2,151,805	2,017,600	2,036,120
Changes:					
Management Benefits - Reduce 50%				(660)	(660)
Medical Insurance - Reduce 5%					(600)
Reduce IT Allocation				(10)	(120)
Total Changes				(670)	(1,380)
Change in Fund Balance	(92,925)	(365,870)	(200,897)	(206,910)	135,520
ENDING FUND BALANCE	\$ 1,661,132	\$ 1,295,262	\$ 1,460,235	\$ 1,253,325	\$ 1,388,845

INSURANCE FUND—PROPERTY INSURANCE

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 531,548	\$ 652,035	\$ 652,035	\$ 607,537	\$ 606,847
Revenues					
Contributions - Insurance	558,094	565,870	565,870	565,870	565,870
Miscellaneous Revenue	(1,324)	50	22,036	50	50
Total Revenues	556,770	565,920	587,906	565,920	565,920
Expenditures					
Salaries & Benefits	25,408	28,990	29,644	30,610	31,510
Insurance Premiums	384,039	472,500	382,703	500,000	510,000
Claims & Deductibles	21,837	225,000	147,714	36,000	25,000
Other Expenses	5,000		72,343		
Total Expenditures	436,283	726,490	632,404	566,610	566,510
Changes:					
Management Benefits - Reduce 50%				(170)	(170)
Medical Insurance - Reduce 5%					(150)
Total Changes				(170)	(320)
Change in Fund Balance	120,487	(160,570)	(44,498)	(690)	(590)
ENDING FUND BALANCE	\$ 652,035	\$ 491,465	\$ 607,537	\$ 606,847	\$ 606,257

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